

WOMEN'S LIBERATION FRONT
Independent Auditor's Report and
Financial Statements
December 31, 2022



WOMEN'S LIBERATION FRONT

Table of Contents

| | PAGE |
|--|-------------|
| INDEPENDENT AUDITOR'S REPORT..... | 1-2 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position..... | 3 |
| Statement of Activities..... | 4 |
| Statement of Functional Expenses | 5 |
| Statement of Cash Flow | 6 |
| Notes to Financial Statements..... | 7-9 |

To the Board of Directors of
Women's Liberation Front

Opinion

We have audited the accompanying financial statements of Women's Liberation Front (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women's Liberation Front (Organization) as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Axiom

Albuquerque, New Mexico

April 24, 2023

WOMEN'S LIBERATION FRONT
Statement of Financial Position
December 31, 2022

| ASSETS | |
|---|--------------------------|
| Current assets | |
| Cash and cash equivalents | \$ 724,399 |
| Accounts receivable, net | 39,890 |
| Prepaid expenses | 4,509 |
| Total current assets | <u>768,798</u> |
| Noncurrent assets | |
| Security deposit | 25,770 |
| Total noncurrent assets | <u>25,770</u> |
| Total assets | <u><u>\$ 794,568</u></u> |
| LIABILITIES AND NET ASSETS | |
| Current liabilities | |
| Accounts payable | 9,383 |
| Accrued expenses | 3,362 |
| Total current liabilities | <u>12,745</u> |
| Net assets | |
| With donor restrictions | - |
| Without donor restrictions | 781,823 |
| Total net assets | <u>781,823</u> |
| Total liabilities and net assets | <u><u>\$ 794,568</u></u> |

See Notes to Financial Statements.

WOMEN'S LIBERATION FRONT
Statement of Activities
Year Ended December 31, 2022

| | <u>Without Donor Restriction</u> | <u>With Donor Restriction</u> | <u>Total</u> |
|--------------------------------------|--------------------------------------|-----------------------------------|------------------|
| Revenues and Support | | | |
| Donations and grants | \$ 1,021,704 | - | 1,021,704 |
| In-kind contributions | 8,685 | - | 8,685 |
| Temporarily restricted income | 2,349 | - | 2,349 |
| Other Income | 4,526 | - | 4,526 |
| Net assets released from restriction | <u>300,000</u> | <u>(300,000)</u> | <u>-</u> |
| Total revenues and support | <u>1,337,264</u> | <u>(300,000)</u> | <u>1,037,264</u> |
| Expenses | | | |
| Program services | 438,090 | - | 438,090 |
| General and administrative expenses | 122,326 | - | 122,326 |
| Fundraising | <u>105,684</u> | <u>-</u> | <u>105,684</u> |
| Total expenses | <u>666,100</u> | <u>-</u> | <u>666,100</u> |
| Change in net assets | 671,164 | (300,000) | 371,164 |
| Net assets, beginning of the year | <u>110,659</u> | <u>300,000</u> | <u>410,659</u> |
| Net assets, end of year | <u>\$ 781,823</u> | <u>-</u> | <u>781,823</u> |

See Notes to Financial Statements.

WOMEN'S LIBERATION FRONT
Statement of Functional Expenses
Year Ended December 31, 2022

| | <u>Program Services</u> | <u>Management and General</u> | <u>Fundraising</u> | <u>Total</u> |
|----------------------------|-----------------------------|-----------------------------------|--------------------|----------------|
| Salaries and wages | \$ 181,362 | 76,057 | 62,311 | 319,730 |
| Payroll taxes and benefits | 26,518 | 22,580 | 13,008 | 62,107 |
| Total labor costs | <u>207,880</u> | <u>98,637</u> | <u>75,319</u> | <u>381,837</u> |
| Contract services | 200,312 | 15,078 | 11,638 | 227,029 |
| Software | 9,870 | 5,114 | 3,495 | 18,479 |
| Travel and meetings | 8,564 | 389 | 300 | 9,253 |
| Office supplies | 971 | 444 | 4,191 | 5,606 |
| Utilities | 671 | 298 | 3,056 | 4,024 |
| Others | 9,821 | 2,366 | 7,684 | 19,872 |
| | <u>230,210</u> | <u>23,689</u> | <u>30,364</u> | <u>284,263</u> |
| Total expenses | <u>\$ 438,090</u> | <u>122,326</u> | <u>105,684</u> | <u>666,100</u> |

See Notes to Financial Statements.

WOMEN'S LIBERATION FRONT
Statement of Cash Flow
Year Ended December 31, 2022

Cash Flows from Operating Activities

| | |
|---|---------------|
| Change in net assets | \$ 371,164 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities | |
| Bad debt expense | - |
| Changes in assets and liabilities | |
| Accounts receivable | (3,246) |
| Prepaid expenses | (4,509) |
| Accounts payable | (6,030) |
| Unearned revenue | (300,000) |
| Accrued expenses | (992) |
| Net cash provided (used) by operating activities | <u>56,387</u> |

Cash Flows from Investing Activities

| | |
|--|----------|
| Purchases of property and equipment | - |
| Net cash used by investing activities | <u>-</u> |

Net Increase (Decrease) in Cash and Cash Equivalents 56,387

Cash and Cash Equivalents, Beginning of Year 668,012

Cash and Cash Equivalents, End of Year \$ 724,399

Non-Cash Transactions

| | |
|-----------------------|------------------------|
| In-kind contributions | <u><u>\$ 8,685</u></u> |
|-----------------------|------------------------|

See Notes to Financial Statements.

WOMEN'S LIBERATION FRONT
Notes to Financial Statements
December 31, 2022

NOTE 1 – NATURE OF ORGANIZATION

Women's Liberation Front (the Organization) was organized in 2016 under the laws of the State of New Mexico. The Organization's mission is to restore, protect, and advance the rights of women and girls using legal argument, policy advocacy, and public education. The Organization focuses on issues that affect women and girls in the United States and are ignored by mainstream feminist organizations.

The Organization's revenue is mainly from grants, awards, contracts, and donations received from private and public individual and institutions. The donations and grants received represent 98.5% of the Organization's revenue for the year ended December 31, 2022. Donation from one donor represents 29% of the total donations and grants for the year ended December 31, 2022.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America for Not-for-Profit Organizations.

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly reflect all significant receivables, payables and liabilities. The Organization distinguishes between contributions received for each net assets category in accordance with imposed restrictions.

Financial Statement Presentation – The financial statement presentation conforms with accounting principles generally accepted in the United States (US GAAP) for nonprofit organizations, which require the Organization to report information regarding the Organization's financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction— Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction— Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received. Temporarily restricted income received for the year ended December 31, 2022 was \$2,349.

Use of Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reporting in the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

WOMEN'S LIBERATION FRONT
Notes to Financial Statements
December 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. The Organization maintains its balances in institutions which are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization has \$188,009 of uninsured deposits at December 31, 2022.

Accounts Receivable – The Organization estimates the allowance for uncollectible accounts based off the days delinquent. An allowance for doubtful accounts has not been provided in the accompanying financial statements as management believes that receivables are fully collectible. No allowance for doubtful accounts has been recognized as of December 31, 2022.

Prepaid expenses - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Income Taxes – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Allocation of Expenses – The Organization allocates its expenses on a functional basis among its various programs, including supporting services. Expenses and support services that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs are allocated based on various relationships.

Subsequent events – Subsequent events are events or transactions that occur after the statement of financial position date, but before the financial statements are issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after that date and before the financial statements are available to be issued. The Organization has evaluated subsequent events through April 24, 2023.

NOTE 3 – OPEN TAX YEARS

The Organization's forms 990 Return of Organization Exempt from Income Tax, for the years ending December 31, 2020, through December 31, 2022, are subject to examination by the IRS, generally for three years after they were filed.

NOTE 4 – IN-KIND CONTRIBUTIONS

For the year ended December 31, 2022, the Organization recognized expense for in-kind contributions of \$8,685, representing pro-bono legal services.

WOMEN'S LIBERATION FRONT
Notes to Financial Statements
December 31, 2022

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date at December 31, 2022:

| | | |
|---|----|----------------|
| Financial assets at year end | \$ | 764,289 |
| Less those unavailable for general expenditures within one year, due to: | | |
| Donor Restricted to payment of debt: | | - |
| Investments- restricted: | | - |
| | | <hr/> |
| Financial assets available to meet cash needs for general expenditure in one year | \$ | <u>764,289</u> |