

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

**Financial Statements Together with
Report of Independent Public Accountants**

For the Years Ended December 31, 2024 and 2023

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Financial Statements Together with Report of Independent Public Accountants

DECEMBER 31, 2024 AND 2023

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF FINANCIAL STATEMENTS

To the Board of Directors of
Well-being and Equity in the World Institute

Opinion

We have audited the statements of financial position of the Well-being and Equity in the World Institute (the Institute) as of December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Institute and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 controls 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 Institute's ability to continue as a going concern for one year after the date that the financial statements are available for issuance.

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 GAAS 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 controls. Misstatements 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 GAAS, 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 controls 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 Institute's internal controls. 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 Institute's ability to continue as a going concern for one year after the date that the financial statements are available for issuance.

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 controls-related matters that we identified during the audit.

Owings Mills, Maryland
November 4, 2025



WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Statements of Financial Position As of December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,807,042	\$ 1,327,530
Grant receivable	302,305	126,126
Account receivable	68,000	-
Prepaid expenses	10,406	5,160
Total Assets	<u>\$ 2,187,753</u>	<u>\$ 1,458,816</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 117,851	\$ 158,485
Deferred contract revenue	1,499,259	287,463
Total Liabilities	<u>1,617,110</u>	<u>445,948</u>
Net Assets		
Without donor restrictions	563,486	1,012,868
With donor restrictions	7,157	-
Total Net Assets	<u>570,643</u>	<u>1,012,868</u>
Total Liabilities and Net Assets	<u>\$ 2,187,753</u>	<u>\$ 1,458,816</u>

The accompanying notes are an integral part of these financial statements.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Statements of Activities and Changes in Net Assets For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Support		
Program service revenue	\$ 2,151,968	\$ 1,264,190
Federal grants	593,280	2,090,320
Government grants	545,154	685,001
Contributions	40,454	10,546
Other income	12,321	14,858
Total Revenue and Support	<u>3,343,177</u>	<u>4,064,915</u>
Expenses		
Program services	2,873,746	3,094,110
Management and general	883,765	886,480
Fundraising	35,048	11,856
Total Expenses	<u>3,792,559</u>	<u>3,992,446</u>
Change in Net Assets Without Donor Restrictions Before Transfer	<u>(449,382)</u>	<u>72,469</u>
Transfer of funds from fiscal sponsor	-	720,045
Total Change in Net Assets Without Donor Restrictions	<u>(449,382)</u>	<u>792,514</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Grants	<u>7,157</u>	<u>-</u>
Changes in net assets	(442,225)	792,514
Net assets, beginning of year	1,012,868	220,354
Net Assets, End of Year	<u>\$ 570,643</u>	<u>\$ 1,012,868</u>

The accompanying notes are an integral part of these financial statements.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Statement of Functional Expenses

For the Year Ended December 31, 2024, with Comparative 2023 Totals

	2024			Total	2023 Totals
	Program Services	Management and General	Fundraising		
Salary and related expenses	\$ 1,718,998	\$ 581,721	\$ 33,108	\$ 2,333,827	\$ 2,140,350
Professional fees	788,148	8,034	1,500	797,682	1,131,169
Conference, conventions, and meetings	210,996	-	-	210,996	138,913
Accounting	-	122,320	-	122,320	111,628
Travel	79,810	-	-	79,810	132,291
Technology	27,446	47,763	-	75,209	71,744
Professional development	42,087	-	-	42,087	44,871
Insurance	-	40,886	-	40,886	31,680
Legal	-	40,293	-	40,293	120,506
Communications and marketing	363	31,174	-	31,537	20,194
Miscellaneous	4,078	6,095	440	10,613	5,069
Office expenses	1,468	4,829	-	6,297	12,756
Memberships and subscriptions	352	650	-	1,002	1,275
Subawards	-	-	-	-	30,000
Total Expenses	\$ 2,873,746	\$ 883,765	\$ 35,048	\$ 3,792,559	\$ 3,992,446

The accompanying notes are an integral part of this financial statement.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Statement of Functional Expenses For the Year Ended December 31, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salary and related expenses	\$ 1,607,493	\$ 522,467	\$ 10,390	\$ 2,140,350
Professional fees	1,082,300	48,869	-	1,131,169
Conference, conventions, and meetings	138,913	-	-	138,913
Accounting		111,628	-	111,628
Travel	131,249	-	1,042	132,291
Technology	47,142	24,602	-	71,744
Professional development	44,871	-	-	44,871
Insurance	-	31,680	-	31,680
Legal	-	120,506	-	120,506
Communications and marketing	649	19,545	-	20,194
Miscellaneous	3,200	1,445	424	5,069
Office expenses	7,018	5,738	-	12,756
Memberships and subscriptions	1,275	-	-	1,275
Subawards	30,000	-	-	30,000
Total Expenses	<u>\$ 3,094,110</u>	<u>\$ 886,480</u>	<u>\$ 11,856</u>	<u>\$ 3,992,446</u>

The accompanying notes are an integral part of this financial statement.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Statements of Cash Flows December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ (442,225)	\$ 72,469
Effects of change in non-cash operating assets and liabilities:		
Grant receivable	(176,179)	(75,118)
Account receivable	(68,000)	-
Prepaid expenses	(5,246)	(4,936)
Accounts payable	(40,634)	79,715
Deferred contract revenue	1,211,796	205,948
Net Cash from Operating Activities	<u>479,512</u>	<u>278,078</u>
Cash Flows from Financing Activities		
Transfer of funds from fiscal sponsor	-	720,045
Net increase in cash and cash equivalents	479,512	998,123
Cash and cash equivalents, beginning of year	1,327,530	329,407
Cash and cash equivalents, End of Year	<u>\$ 1,807,042</u>	<u>\$ 1,327,530</u>

The accompanying notes are an integral part of these financial statements.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Notes to the Financial Statements December 31, 2024 and 2023

1. DESCRIPTION OF THE INSTITUTE

Well-being and Equity in the World Institute (the Institute), also known as WE in the World, is a nonprofit organization that partners with communities, organizations, and systems to create the conditions for everyone and every place to thrive. The organization supports lasting transformation across sectors by offering strategic planning, consulting, coaching, measurement, and capacity-building services. WE support communities to realign health, social, and economic systems to achieve health and well-being, and removing unjust barriers that disadvantage some people and places from reaching their full potential for health and life. WE in the World creates sustainable change so that all people and places can thrive now and for generations to come.

Prior to the Institute being recognized as a 501(c)(3) organization, the Institute operated under a fiscal sponsorship arrangement. While the Institute began operating as a standalone entity during October 2022, the fiscal sponsor continued to support the Institute with services that included bill pay and payroll processing. In December 2023, the fiscal sponsor transferred funds totaling \$720,045 that were held on behalf of the Institute. The transferred funds were net of expenses that were processed under the fiscal sponsor. These funds are included in the statement of activities and change in net assets as a “transfer from fiscal sponsor” for the year ended December 31, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Institute have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents

The Institute maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Federal Deposit Insurance Corporation (FDIC) guarantees accounts for up to \$250,000 per depositor per institution. The Institute has not experienced any losses relative to its bank deposits. The Institute considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of December 31, 2024 and 2023, cash equivalents consisted of money market funds.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Notes to the Financial Statements December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants Receivable

Grants receivable represent grant expenditures incurred, or unconditional commitments made but not collected by the Institute. The Institute evaluates its grants receivable on a regular basis and establishes an allowance if deemed as necessary. Balances are written off when deemed uncollectible. Receivables are valued at management's estimate of the net realizable value. The Institute records an allowance for doubtful accounts equal to estimated losses that will be incurred. There was no allowance recorded as of December 31, 2024 and 2023, as management deemed all grants receivable fully collectible.

Accounts Receivable

Accounts receivable primarily consist of amounts due from services provided at their net realizable value. The Institute evaluates its accounts receivable on a regular basis and establishes an allowance for credit losses based on historical experience, current conditions, and reasonable and supportable forecasts. Balances are written off when deemed uncollectible. Management believes all receivables as of December 31, 2024 and 2023, are fully collectible; therefore, no allowance for doubtful accounts is recorded.

Deferred Contract Revenue

Deferred contract revenue consists of payments received in advance of the performance of services, where the conditions and events specified by the contract have not been met by the Institute. Revenue is recognized when services are performed by the Institute.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by the Institute has been limited by donors primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions. As of December 31, 2024 the Institute has \$7,157 in net assets with donors for better education ancestor and education in Afghanistan.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Notes to the Financial Statements December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support and Revenue

The Institute recognizes contributions and grants when an unconditional promise to give is received. Conditional promises to give with measurable performance or other barriers and right of return, are not recognized until the conditions on which they depend have been met.

Grants and contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction expires, which is when some stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions.

Consulting income is recognized as revenue when the related services are performed and earned under the terms of the applicable agreements. Revenue is recorded only to the extent that the services have been rendered and amount is determinable.

Federal contracts are deemed conditional in nature and revenue from such contracts is recognized when the services are provided to the extent of actual expenses incurred in compliance with those contracts.

For consulting income and federal contracts, expenses incurred in excess of funds collected are reflected as accounts receivable and cash receipts obtained prior to expenses being incurred are reflected as deferred contract revenue in the accompanying statements of financial position.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and in the statements of functional expenses for the years ended December 31, 2024 and 2023. Accordingly, certain costs have been allocated among the functions that benefit from those costs. Management and general expenses include those expenses not directly identified with any other specific function but provide for the overall support and direction of the Institute. Direct salaries are considered a representative measure of the organizational effort applied to joint objectives and serve as the basis for allocation of shared expenses.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Notes to the Financial Statements December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Institute is a not-for-profit organization that is exempt from federal income taxes, other than net unrelated business income, under the provisions of Section 501(c)(3) of the United States Internal Revenue Code (IRC) and is recognized as such by the Internal Revenue Service.

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. The Institute performed an evaluation of uncertain tax positions as of December 31, 2024 and 2023, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status.

As of December 31, 2024, the statute of limitations for tax years 2023 through 2024 remain open with the U.S. federal jurisdiction and the various state and local jurisdictions in which the Institute files tax returns. It is the Institute's policy to recognize interest and/or penalties related to uncertain tax positions, if any, as income tax expense in the statements of activities and change in net assets.

Liquidity and Availability of Resources

The following reflects the Institute's financial assets as of December 31, 2024 and 2023, reduced by amounts not available for general use within one year because of donor-imposed restrictions:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,807,042	\$ 1,327,530
Grant receivable	302,305	126,126
Account receivable	68,000	-
Total	<u>2,177,347</u>	<u>1,453,656</u>
Less: those amounts unavailable for general expenditures within one year, due to:		
Purpose restrictions	<u>7,157</u>	<u>-</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 2,170,190</u></u>	<u><u>\$ 1,453,656</u></u>

The Institute manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining access to adequate liquid assets to fund near-term operating needs. This is done through monitoring and reviewing the Institute's cash flow needs on a regular basis.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Notes to the Financial Statements December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events

Subsequent to year-end, on April 30, 2025, The Institute's management evaluated the accompanying financial statements for subsequent events and transactions through November 4, 2025, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure, except as noted below.

Trellis and Grow LLC was formed to create a clear operational and legal separation between the parent nonprofit, The Institute, and the local community team activities under the Justice Squared (J2) initiative. Registered in Delaware on April 17, 2025, and issued its EIN on April 22, 2025, the LLC was established as a wholly owned subsidiary to contract for and manage the J2 Community Team Administration Project, enabling specialized oversight and efficient administration of local team operations. This structure allows the parent nonprofit to focus on national coordination while the subsidiary handles funding and management of local contracts.

3. COMMITMENTS AND CONTINGENCIES

Concentration of Revenue

For the years ended December 31, 2024 and 2023, the Institute received \$1,138,434 and \$3,495,366, respectively, of its total revenue from government sources. These amounts represent approximately 34% and 73% of total revenue received during December 31, 2024 and 2023, respectively. The revenue from government sources is primarily from the Department of Health and Human Services.

The Institute's grants with the Department of Health and Human Services ended December 31, 2024. Effective as of January 2025, the Institute entered into a multi-year relationship with a foundation that is adequate to finance the Institute's ongoing operations through February 2027. The Institute is actively exploring additional funding relationships. An interruption of this relationship (i.e. the withholding of funds or request to return disbursed funds) would adversely affect the Institute's ability to finance ongoing operations.

Grants

Reimbursed costs under the Institute government awards are subject to final determination of allowability by the government agency. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

WELL-BEING AND EQUITY IN THE WORLD INSTITUTE

Notes to the Financial Statements December 31, 2024 and 2023

4. RETIREMENT PLAN

The Institute provides benefits to eligible employees under a 401(k) defined contribution plan. Employees 21 years old or older may contribute up to the limits permitted by the Internal Revenue Code as a pre-tax deferral. The Institute makes matching contributions to an amount equal to the sum of 100% of the Participant's Elective Deferrals that do not exceed 4% of the participant's compensation. The Institute's did not contribute to the plan for the years ended December 31, 2024, and 2023.