

Financial Statements

Women In Animation Inc.
(a nonprofit organization)
Year Ended May 31, 2022



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Women In Animation, Inc.
Los Angeles, California

We have reviewed the accompanying financial statements of Women In Animation, Inc. (not-for-profit organization), which comprise the statement of financial position as of May 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Women In Animation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Harris CPAs

Meridian, Idaho
December 23, 2022



WOMEN IN ANIMATION, INC.
STATEMENT OF FINANCIAL POSITION
May 31, 2022

ASSETS

Current Assets

Cash	\$ 1,006,273
Pledges receivable	64,185
Prepays	<u>29,092</u>

Total Current Assets 1,099,550

Equipment, net

4,136

Total Assets \$ 1,103,686

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 16,755
Accrued payroll and related costs	22,504
Deferred membership dues	<u>90,983</u>

Total Current Liabilities 130,242

Deferred membership dues, noncurrent

19,103

Total Liabilities 149,345

Net Assets

Without donor restrictions 954,341

Total Liabilities and Net Assets \$ 1,103,686

See accompanying notes and independent accountants' review report.

WOMEN IN ANIMATION, INC.
STATEMENT OF ACTIVITIES
For the Year Ended May 31, 2022

	<u>Without Donor Restrictions</u>
Revenues and Other Support	
Donations	\$ 447,454
Program revenue	113,705
Government grants	90,200
In-kind revenue	14,258
Other income	<u>879</u>
Total Revenue and Other Support	666,496
Expenses	
Program	404,397
Supporting Services	
Administrative	202,388
Fundraising	<u>26,113</u>
Total Supporting Services	<u>228,501</u>
Total Expenses	<u>632,898</u>
Change in net assets	33,598
Net Assets	
Beginning of Year	<u>920,743</u>
End of Year	<u><u>\$ 954,341</u></u>

See accompanying notes and independent accountants' review report.

WOMEN IN ANIMATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended May 31, 2022

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Wages and benefits	\$ 236,620	\$ 79,682	\$ 19,475	\$ 335,777
Professional fees	49,554	62,789	4,000	116,343
Information technology	55,055	36,472		91,527
Scholarships	27,500			27,500
Office expenses and supplies	1,301	16,351	668	18,320
Total chapters	17,513			17,513
Advertising	10,498			10,498
Programs and events	6,356		1,720	8,076
Professional development		5,550	250	5,800
Depreciation	<u> </u>	<u>1,544</u>	<u> </u>	<u>1,544</u>
Total Expenses	<u>\$ 404,397</u>	<u>\$ 202,388</u>	<u>\$ 26,113</u>	<u>\$ 632,898</u>

See accompanying notes and independent accountants' review report.

WOMEN IN ANIMATION, INC.
STATEMENT OF CASH FLOWS
For the Year Ended May 31, 2022

Cash Flows From Operating Activities

Change in net assets	\$	33,598
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense		1,544
Contributions from PPP loan		(62,500)
Changes in operating assets and liabilities		
Prepaid expenses		(26,015)
Pledge receivables		85,908
Accrued and withheld payroll costs		13,328
Accounts payable		4,742
Deferred membership dues		<u>110,086</u>
Net Cash Provided (Used) by Operating Activities:		160,691

Cash Flows From Investing Activities

Purchase of property and equipment		<u>(1,486)</u>
Net Change in Cash and Cash Equivalent		159,205

Cash - Beginning of Year 847,068

Cash - End of Year \$ 1,006,273

See accompanying notes and independent accountants' review report.

WOMEN IN ANIMATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies

Nature of Organization

Women In Animation, Inc. (the Organization) is a 501(c)(3) nonprofit growing international organization with a mission to bring together the global animation community to empower and advocate for people of underrepresented gender identities in the art, technology, production, and business of animation, inspiring excellence and justice in all facets of the industry. The Organization’s vision is a world in which people of all gender identities share fully in the creation, production, and rewards of animation, resulting in richer and more diverse entertainment and media that move our culture forward.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Organization reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Use of Estimates

The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers its short-term highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

WOMEN IN ANIMATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and temporary cash investments. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per institution. At May 31, 2022, the Organization's uninsured balances totaled \$755,113.

Fair Value

The Organization uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

Property and Equipment

Property and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. All equipment with a fair market value in excess of \$1,000 and a useful life of more than one year is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years.

Compensated Absences

Liabilities have been accrued for costs related to vacation for the year ending May 31, 2022. The accrual has been calculated based on the hourly or salary rates in effect at the balance sheet date and totals \$8,943 for 2022. This amount has been included in accrued payroll and related costs.

In-kind Donations

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

WOMEN IN ANIMATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Contributions and Donor Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

Pledge Receivables

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Outstanding promises to give at May 31, 2022 was \$64,185. Pledge receivables are short-term. Management believes all pledges to be collectable. No discount or allowance for doubtful accounts deemed necessary.

Revenue Recognition – Program Revenue

Programming and membership revenue is recognized when the membership period occurs and typically has a single performance obligation. Any unearned portion of membership dues are recorded as liabilities at year end.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

The Organization expenses advertising as costs are incurred. Total advertising costs were \$10,498 for the year ended May 31, 2022.

WOMEN IN ANIMATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Income Taxes

The Organization is a not-for-profit Organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3), and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2022.

Subsequent Events

The Organization has evaluated subsequent events through December 23, 2022, which is the date the financial statements were available to be issued and has determined that there are no additional adjustments and/or disclosures required.

Note B – Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash	\$ 1,006,273
Pledges receivable	<u>64,185</u>
Total financial assets available within one year	<u>\$ 1,070,458</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At May 31, 2022, all net assets with donor restrictions are available for payment of any major expenditures incurred, except for grants receivable which are available when the receivable is collected which is expected within the next year and the expenditure is incurred.

WOMEN IN ANIMATION, INC.
NOTES TO FINANCIAL STATEMENTS

Note C – Equipment

Equipment consists of office computers. At May 31, 2022 the Organization had a total of \$8,094 in office equipment and \$3,958 in accumulated depreciation. For the year ended May 31, 2022, the Organization recognized \$1,544 in depreciation expense.

Note D – Net Assets

The detail of the Organization’s net asset categories at May 31, 2022 is as follows:

Without donor restrictions	
Invested in property and equipment	\$ 4,136
Undesignated surplus	<u>950,205</u>
 Total net assets	 <u>\$ 954,341</u>