

World Institute on
Disability

Audited Financial Statements

For the years ended
December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
World Institute on Disability
Berkeley, CA

We have audited the accompanying financial statements of World Institute on Disability (WID) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, statements of 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 World Institute on Disability as of December 31, 2023 and 2022, 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. 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 World Institute on Disability 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 World Institute on Disability'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 World Institute on Disability'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 World Institute on Disability'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of WID's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the effectiveness of WID's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WID's internal control over financial reporting and compliance.

Jason F. Clausen, P.C

Fraser, MI
July 11, 2024

WORLD INSTITUTE ON DISABILITY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
<u>Current assets</u>		
Cash and cash equivalents	\$ 330,993	\$ 834,462
Investments	-	200,031
Accounts receivable	248,271	240,483
Grants receivable	84,125	218,919
Prepaid expenses	24,290	77,863
	<hr/>	<hr/>
Total current assets	687,679	1,571,758
<u>Fixed assets</u>		
Net property and equipment	-	858
<u>Other assets</u>		
Deposits	7,106	7,106
Operating right-of-use asset	210,907	-
	<hr/>	<hr/>
Total other assets	218,013	7,106
	<hr/>	<hr/>
<u>Total Assets</u>	<u>905,692</u>	<u>1,579,722</u>
<u>Liabilities</u>		
<u>Current liabilities</u>		
Accounts payable	95,706	265,483
Payroll liabilities	74,546	81,056
Deferred revenue	164,333	249,507
Operating lease liability, current	30,065	-
Other accrued liabilities	20,733	153,333
	<hr/>	<hr/>
Total current liabilities	385,383	749,379
<u>Other liabilities</u>		
Operating lease liability, net of current	180,842	-
	<hr/>	<hr/>
Total other liabilities	180,842	-
	<hr/>	<hr/>
Total liabilities	566,225	749,379
<u>Net assets</u>		
Net assets without donor restrictions	(45,992)	645,186
Net assets with donor restrictions	385,459	185,157
	<hr/>	<hr/>
Total net assets	339,467	830,343
	<hr/>	<hr/>
<u>Total liabilities and net assets</u>	<u>\$ 905,692</u>	<u>\$ 1,579,722</u>

See independent auditor's report and financial statements

WORLD INSTITUTE ON DISABILITY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Total
<u>Revenue and other support</u>				
Government contracts and grants	\$ 1,477,860	\$ -	\$ 1,477,860	\$ 2,224,310
Private grants	258,072	547,969	806,041	1,624,645
Private contracts	296,806	-	296,806	417,846
Contributions	133,593	-	133,593	261,205
Service fees and others	38,113	-	38,113	27,277
Program (Board) restricted net assets released	<u>347,667</u>	<u>(347,667)</u>	<u>-</u>	<u>-</u>
Total revenue	2,552,111	200,302	2,752,413	4,555,283
<u>Expense</u>				
Program services	2,236,255	-	2,236,255	3,480,716
Management and general	766,709	-	766,709	615,132
Fundraising and development	<u>240,325</u>	<u>-</u>	<u>240,325</u>	<u>204,571</u>
Total expenses	<u>3,243,289</u>	<u>-</u>	<u>3,243,289</u>	<u>4,300,419</u>
Change in net assets	(691,178)	200,302	(490,876)	254,864
Net assets, beginning of period	<u>645,186</u>	<u>185,157</u>	<u>830,343</u>	<u>575,479</u>
Net assets, end of period	<u>\$ (45,992)</u>	<u>\$ 385,459</u>	<u>\$ 339,467</u>	<u>\$ 830,343</u>

See independent auditor's report and financial statements

WORLD INSTITUTE ON DISABILITY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Description								2023	2022	
	Accessibility Solutions	Community Inclusion	Disaster Resilience	Fiscal Sponsorship	Project Support	Subtotal	Management and General	Fundraising	Total	Total
Salaries	\$ 304,032	\$ 219,046	\$ 300,396	\$ -	\$ 32,369	\$ 855,843	\$ 468,388	\$ 164,105	\$ 1,488,336	\$ 1,322,603
Payroll taxes	22,749	16,159	22,846	-	2,489	64,243	34,402	11,130	109,775	96,042
Pension	8,016	5,087	8,630	-	1,131	22,864	14,647	4,972	42,483	40,920
Employee benefits	47,156	46,569	65,732	-	3,009	162,466	83,410	39,903	285,779	278,488
Total personal expensees	381,953	286,861	397,604	-	38,998	1,105,416	600,847	220,110	1,926,373	1,738,053
Consultant and outside services	18,811	16,886	4,193	-	-	39,890	82,954	2,400	125,244	346,462
Subrecipients	-	-	-	126,250	-	126,250	-	-	126,250	640,524
Hosting, conferences and training	-	-	-	-	-	-	-	-	-	17,876
Travel	1,653	4,573	10,985	-	-	17,211	15,734	3,138	36,083	44,667
Supplies	2,265	1,509	3,394	-	269	7,437	10,247	918	18,602	36,622
Telephone and on-line charges	4,583	3,095	6,128	-	551	14,357	7,932	1,904	24,193	22,365
Postage, Printing, copying and publishing	166	262	423	-	-	851	200	4,037	5,088	3,004
Rent	15,772	10,592	13,995	-	1,891	42,250	18,204	6,446	66,900	56,982
Equipment rent, maintenance and repair	-	-	-	-	-	-	-	-	-	792
Advertising	100	-	119	-	-	219	86	-	305	5,722
Staff training, development, recruitment and morale	-	-	-	-	-	-	2,105	-	2,105	27,662
Dues and memberships	-	360	-	-	-	360	1,402	-	1,762	6,265
Insurance	3,298	2,075	2,741	-	370	8,484	11,358	1,263	21,105	19,156
Program expenses	21,458	705,842	140,674	-	-	867,974	-	-	867,974	1,310,833
Fees and service charges	221	146	1,075	-	-	1,442	11,949	109	13,500	11,483
Depreciation	-	-	-	-	-	-	858	-	858	1,144
Equipment purchase	-	-	-	-	-	-	2,833	-	2,833	9,739
Miscellaneous	-	-	4,114	-	-	4,114	-	-	4,114	1,068
Total Expenses	\$ 450,280	\$ 1,032,201	\$ 585,445	\$ 126,250	\$ 42,079	\$ 2,236,255	\$ 766,709	\$ 240,325	\$ 3,243,289	\$ 4,300,419

See independent auditor's report and financial statements

WORLD INSTITUTE ON DISABILITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash flows from operating activities</u>		
Change in net assets	\$ (490,876)	\$ 254,864
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	858	1,144
Unrealized gain in investments	-	(2,473)
<u>Changes in operating assets and liabilities</u>		
(Increase) Decrease in:		
Accounts receivable	127,006	(220,619)
Prepaid expense	53,573	38,843
Increase (Decrease) in:		
Accounts payable and accrued liabilities	(169,777)	128,941
Payroll and related liabilities	(6,510)	21,049
Deferred revenue	(85,174)	(125,647)
Fiscal sponsorship	(132,600)	60,649
Net cash provided by (used in) operating activities	<u>(703,500)</u>	<u>156,751</u>
<u>Cash flows from investing activities</u>		
Purchase of investments	-	(368)
Proceeds from sale of investments	<u>200,031</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>200,031</u>	<u>(368)</u>
Net increase (decrease) in cash and cash equivalents	(503,469)	156,383
Cash and cash equivalents, beginning of period	<u>834,462</u>	<u>678,079</u>
Cash and cash equivalents, end of period	<u>\$ 330,993</u>	<u>\$ 834,462</u>
Total cash paid for interest during the fiscal year	<u>\$ -</u>	<u>-</u>

See independent auditor's report and financial statements

WORLD INSTITUTE ON DISABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF ORGANIZATION

World Institute on Disability (WID) is a California nonprofit public benefit organization, which was established in May 1983. The mission of WID in communities and nations worldwide is to eliminate barriers to full social integration and increase employment, economic security, and health care for persons with disabilities. WID works with people who have disabilities, other disability organizations, policymakers, corporations and foundations on issues and public policies that impact people with disabilities.

Nature of Activities

WID advances the inclusion, rights, and justice of people with disabilities with the design and delivery of whole community solutions.

Program Services

WID brings together expertise for ensuring our customers have access to world-class consulting, training, and technical assistance services. Combined with our successful past performance and history, we are thought partners excited to help our customers.

Program Services:

Our Digital and Conference/Event Accessibility Consulting Services include:

- User experience (UX) testing for your organization to understand and remove the barriers in the built environment, within customer-facing and employee-facing equipment and technology, and your products and services.
- Assessment of your event or conference's accessibility services with specific recommendations and resources to help ensure that your conference or event is both accessible and inclusive for everyone.
- Concierge service to bring hands-on disability expertise and accommodations to your conference or event.

Our Disability Inclusive Emergency Preparedness and Disaster Resilience (DIEPDR) Consulting Services Suite includes:

- Hosting a comprehensive onboarding review of the DIEPDR scaled analysis and scoring structure for all sizes of corporations.
- Customizing the DIEPDR to be used as a stand-alone tool or in conjunction with a broader disability inclusion evaluation effort.
- Conducting a rigorous scaled analysis of existing disaster preparedness plans, policies, processes, and position responsibilities.
- Producing a customized DIEPDR Findings and Recommendations Report, including an awareness of minimum, recommended and exemplary standards.
- Identifying physical, programmatic, and communication strengths and gaps.
- Certifying corporations and organizations as premier models of disability inclusion with Disability Inclusive Emergency Preparedness Certification that recognizes their commitment to their employees, consumer, and the boarder community.

Our Emergency and Disaster Planning Consulting Work includes:

- Designing Emergency Operations Plans.
- Providing Standard Operating Procedures, guidance, and considerations documents.
- Ensuring all plans are universally inclusive, including evacuation; transportation; sheltering; shelter in place; distributions, recovery, assistance, and documents, including disability stakeholder group protocols and procedures.

WORLD INSTITUTE ON DISABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF ORGANIZATION (CONTINUED)

- Providing recommendation and expectations documents for partner and support agents.
- Customizing disability-inclusive resource and referral lists, evaluation checklists, job action sheets, and just-in-time training.
- Ensuring equity for people with disabilities and multiple-marginalized people across the disaster cycle.

Our Organizational Disaster Preparedness and Empowerment Training Program covers:

- Disability and access and functional needs inclusion.
- Integrating disability-inclusive principles into emergency preparedness and disaster planning, response recovery, and risk reduction.
- Enhancing an organization's disability contacts before, during and after emergencies and disasters.
- Creating equitable environments, programs and communication strategies before a disaster strikes.
- Whole community inclusion, universal design, and community engagement solutions that protect the lives of clients, consumers, contractors, and employees.
- Design and delivery of personal preparedness programs for the disability community to assist individuals with disabilities to take ownership of their own preparedness and to move forward in preparedness leadership in their communities.
- Comprehensive, state-specific online digital resources that provide tools and information on health coverage, benefits, employment, housing, and more to help enable people with disabilities and their circles of support to make informed decisions.
- Training and technical assistance for service providers to help people with disabilities and their circles of support achieve their employment, benefits, housing, and inclusive living goals.

Our Comprehensive Accessibility Training and Technical Assistance includes:

- Disability etiquette, bias, and justice training for all staff to improve your company's inclusion efforts.
- In-depth accessibility assessment to determine how we can help assist you in the most effective and efficient manner.
- Customized programs to help you achieve your accessibility goals.
- Personalized training on the practical application of accessibility tools and practices, including building accessible Power Points, Word documents, PDFs, videos, podcast, and more.

Our Global Community Inclusion Services include:

- DB101.org, a comprehensive, state-specific online resource that allows people with disabilities and the people who support them to make employment decisions.
- HB101.org, a state-specific online platform where people with disabilities and those who support them can find important information, resources, and tools to help achieve their housing and daily living goals and make full community inclusion possible.
- Comprehensive training and technical assistance on our online tools to help state providers assist people with disabilities in making decisions about their employment, benefits, housing, and inclusive living goals.

See independent auditor's report and financial statements

WORLD INSTITUTE ON DISABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 – NATURE OF ORGANIZATION (CONTINUED)

Research Services:

- User experience (UX) testing for your organization to understand how people with disabilities access your products and services, learn what issues they encounter, and improve accessibility.
- We offer survey and focus group research, which allows your organization to receive input from people with specific disabilities on the practical accessibility of your services, policies, programs, or products.
- We engage multiple segments of the disability community to construct a holistic report, providing an extremely insightful and comprehensive actionable briefing or participants' experiences.

WID's mission statement is:

"On a global scale, to continuously advance the rights and opportunities of more than one billion people with disabilities."

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value. The Organization places its cash and temporary cash investments with high credit quality financial institutions, and at times may maintain balances that exceed federally insured limits. Management deems this to be an acceptable risk. At December 31, 2023, balances in excess of federally insured limits were \$82,909.

Accounts and Grants Receivable, Net

The Organization carries their accounts receivable at the lower of cost or market, less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts, when deemed necessary, based upon specific delinquent accounts. When receivables are deemed uncollectible, they are charged against the allowance account. At December 31, 2023, the allowance for doubtful accounts was \$0.

Current Financial Assets

The Organization has \$193,805 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$330,993 and accounts receivable totaling \$248,271. Financial assets subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date total \$385,459. The Organization has a goal to maintain financial assets on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$533,000. The Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

See independent auditor's report and financial statements

WORLD INSTITUTE ON DISABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets

The Organization prepares its financial statements in accordance with FASB ASC 958-205, "Financial Statements of Not-for-Profit Organizations". Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions. As permitted under the provisions of FASB 958-605, the Organization records donor-restricted contributions whose restrictions have been satisfied in the same reporting period as net assets without donor restrictions.

Property and Equipment

The Organization capitalizes property and equipment over \$2,500. Purchases are carried at cost or, if donated, are estimated at fair market value at the time of the donation.

Expenditures for less than \$2,500 are charged to maintenance and repairs as incurred. Depreciation is provided on a straight-line basis as follows over the estimated useful life of fixed assets:

Computers	3 years
Equipment, furniture, and furnishings	3-7 years

Leases

On January 1, 2023, the Organization adopted ASC 842 Accounting for Leases which is a replacement for the previous lease accounting standard ASC 840. The new lease accounting standard was applied on a modified retrospective approach accounting for leases in the current fiscal year and going forward. Leases were accounted for under ASC 840 for fiscal years prior to January 1, 2023. ASC 842 requires that both operating and finance type leases be reported as right of use assets and lease liabilities on the statement of financial position if the lease term is longer than 12 months. Additional information is disclosed in Note 7.

Grants and Contributions

Support from grantors and contributors is recorded as unrestricted or donor-restricted support, depending on the existence and/or nature of any donor restrictions. Support from grantors with restrictions is reported as net assets with donor restrictions and is then reclassified to net assets without donor restrictions upon satisfaction of the restrictions.

Revenue from Contracts

The Organization reports revenue from contracts with customers in accordance with Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The Organization recognizes revenue in the amount for which it has the right to invoice for performance obligations based on a right to consideration from a customer in an amount that corresponds directly to the value of the Organization's performance completed to date.

The Organization enters into contracts with customers to provide consulting, training, and technical assistance services. Contracts for consulting and training are generally effective for less than one year. Contracts for technical assistance are segregated for initial product delivery and ongoing maintenance. Initial delivery generally takes place within one year and ongoing maintenance is effective in 12 month segments thereafter.

WORLD INSTITUTE ON DISABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

From time to time, there are unpaid balances on revenues earned under the contracts and carried as accounts receivable. These balances totaled \$240,483 as of January 1, 2023, and \$248,271 as of December 31, 2023. There was no impairment or credit loss associated with these balances during the year ended December 31, 2023.

Deferred Revenue

Deferred revenue is recorded for revenue received prior to fiscal year end for events and services provided in the following fiscal year. The balance of deferred revenue as of December 31, 2023 and 2022 was \$164,333 and 249,507, respectively.

Contingencies

The Organization has various third-party reimbursement arrangements with governmental agencies that are subject to audits by contracting agencies. Such audits could result in claims against WID's resources. No provision has been made for any liabilities which may arise from such audits, since the amounts, if any, cannot be determined at this time.

Economic Dependency

A material portion of the Organization's revenue is dependent upon governmental agencies. A material withdrawal of program support could adversely affect the Agency's ability to continue services at historical levels.

Bad Debts

Bad debts are provided for by the direct write-off method of accounting which approximates the same result that would be achieved under a generally accepted accounting method.

Comparative Information

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and support services usually on the basis of payroll allocations. Management and general 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.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, performed by people with those skills, and would otherwise be purchases by the Organization.

Advertising

The Organization charges advertising costs to expense as incurred. Advertising expense for the year ended December 31, 2023 and 2022 totaled \$305 and \$5,722, respectively.

Income Tax Status

The Organization is a private, not-for-profit organization operating in accordance with Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision or liability for income taxes has been provided in the accompanying financial statements.

WORLD INSTITUTE ON DISABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – DEPOSITS

At December 31, 2023 the Organization has a security deposit with Ed Roberts Campus (ERC) for \$ 7,106. See NOTE 7 – LEASE for more information.

NOTE 4 – FAIR VALUE MEASUREMENTS

Generally Accepted Accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under Generally Accepted Accounting Principles are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of this asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lower level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Money market funds: Valued at the fair value of the fund at the close of the stock market on the last business day of the year.

Securities: Valued at the accumulated unit value of the units held at the end of the year.

WORLD INSTITUTE ON DISABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 – FAIR VALUE MEASUREMENTS (CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or future fair values. Furthermore, although the Plan believes

its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments are stated at their fair values, and consist of money market and equity investment as follows:

<u>December 31, 2023</u>	<u>Fair Value</u>	In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Levels 3)
Securities	\$ -0-	\$ 0-	\$ -0-	\$ -0-
Mutual Funds	-0-	-0-	-0-	-0-
Total	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Investment income is made up of unrealized gains and for the fiscal year ended December 31, 2023, was \$4,436.

<u>December 31, 2022</u>	<u>Fair Value</u>	In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Levels 3)
Securities	\$ 2,971	\$ 2,971	\$ -0-	\$ -0-
Mutual Funds	197,060	197,060	-0-	-0-
Total	<u>\$ 200,031</u>	<u>\$ 200,031</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Investment income was made up of unrealized gains and for the fiscal year ended December 31, 2022, was \$2,473.

NOTE 5 – RETIREMENT PLAN

The Organization offers its employees a 401(k) retirement plan which includes a safe harbor match for eligible participants. The total retirement plan expense for the fiscal years ended December 31, 2023 and 2022 was \$42,483 and \$40,920, respectively.

NOTE 6 – PROPERTY AND EQUIPMENT

At December 31, 2023 and 2022, property and equipment consisted of the following:

<u>Description</u>	<u>2023</u>	<u>2022</u>
Furniture and Equipment	\$ 14,787	\$ 14,817
Less: Accumulated depreciation	<u>(14,787)</u>	<u>(13,929)</u>
Net property and equipment	<u>\$ -0-</u>	<u>\$ 858</u>

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NOTE 6 – PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense for the years ended December 31, 2023 and 2022 were \$858 and \$1,144 respectively.

NOTE 7 – LEASE

In July 2013, the Organization entered into a lease agreement with the ERC (See NOTE 10 – RELATED PARTY TRANSACTIONS) for office space in the building. The lease is for 17 years which will expire September 2030. The base rent on the lease is subject to annual increases/decreases, based on Consumer Price Index changes. Due to the uncertainty of those changes, the future minimum rental payments are based off of the rent expense at the time of the auditors’ report date.

An operating right of use asset was obtained in exchange for a new operating lease liability in the amount of \$472,211 which was calculated using a risk-free discount rate of 2.73%. The rate was set at the U.S. Treasury 10-year yield curve rate as of the commencement of the lease.

<u>Description</u>	<u>2023</u>	<u>2022</u>
Office space at commencement	\$ 472,211	\$ -0-
Less: Accumulated amortization	<u>(262,949)</u>	<u>-0-</u>
Operating right-of-use asset	<u>\$ 210,907</u>	<u>\$ -0-</u>

Following is a reconciliation of the undiscounted future payments to the operating lease liability at July 31, 2023.

Total undiscounted future payments under the operating lease	\$ 230,412
Discount rate of 2.73% applied to future lease payments	<u>(19,505)</u>
Operating lease liability	<u>\$ 210,907</u>

Estimated future minimum rental payments under the lease, as of December 31, 2023 are as follows:

<u>Year End</u>	<u>Amount</u>
2024	\$ 66,900
2025	66,900
2026	66,900
2027	66,900
Thereafter	<u>183,975</u>
Total	<u>\$ 451,575</u>

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NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2023, and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
JPMorgan Chase Foundation: Supporting Disability Owned Businesses (Through October 23)	\$ 186,026	\$ 185,157
Ability Central: Virtual Healthcare Training Series for Person-Centered Approach	84,960	-0-
Wells Fargo: Support of Fellowship Creation	23,794	-0-
Mitsubishi Electric America Foundation: Supporting the Global Heumann Fellowship	10,000	-0-
Max & Stanley Smith Charitable Trust: Supporting the CA DB101 Website and Employment for Individuals with Disabilities	<u>80,679</u>	<u>-0-</u>
Total	<u>\$ 385,459</u>	<u>\$ 185,157</u>

NOTE 9 - RELATED PARTY TRANSACTIONS

Building and Lease

The Ed Roberts Campus (ERC) is a California nonprofit 501(c)(3) corporation that was formed by seven disability organizations that share a common history in the Independent Living Movement of People with Disabilities. The ERC was formed to plan, develop, and construct a universally designed, transit-oriented campus (the "Building") located in Berkeley, California. Per the governing bylaws of the ERC, the Organization is one of seven current governing board members. The Organization leases office space from the ERC. See NOTE 10 – CONTINGENCIES, CONCENTRATION OF RISK, AND OTHER for more information.

NOTE 10 – CONTINGENCIES, CONCENTRATION OF RISK, AND OTHER

Governmental Contracts

The Organization has various third-party reimbursement arrangements with governmental agencies that are subject to audits by contracting agencies. Such audits could result in claims against WID's resources. A material portion of the Organization's revenue is dependent upon governmental agencies. A material withdrawal of program support could adversely affect the Agency's ability to continue services at historical levels.

Building

The Organization is a board member of the ERC which owns the Building where it leases office space. The Organization and other board member agencies of the ERC agreed to be individually and collectively liable for the debt on the Building. As of December 31, 2023 the outstanding balance on the mortgage of the Building was \$2,710,723. Management considers the possibility of the Organization being liable for any portion of this debt remote as the Building securing the debt is worth substantially more than the outstanding debt.

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WORLD INSTITUTE ON DISABILITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 28, 2024, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIALS STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors and Management of
World Institute on Disability
Berkeley, CA

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of World Institute on Disability (WID) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered WID's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of WID's internal control. Accordingly, we do not express an opinion of the effectiveness of WID's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether WID's financial statements are free from material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of or audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Organizations' internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the WID's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jason F Clausen, P.C.

Fraser, MI

June 28, 2024