



Women's Refugee Commission, Inc.

Financial Statements
(Together with Independent Auditors' Report)

For the year ended September 30, 2014

WOMEN'S REFUGEE COMMISSION, INC.
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
SEPTEMBER 30, 2014

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Women's Refugee Commission, Inc.

We have audited the accompanying financial statements of Women's Refugee Commission, Inc. ("WRC") which comprise the statement of financial position as of September 30, 2014 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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 State 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WRC as of September 30, 2014 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Marks Paneth LLP

Tarrytown, NY
April 29, 2015



WOMEN'S REFUGEE COMMISSION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2014

ASSETS

Cash and cash equivalents (Notes 2B and 5A)	\$ 2,675,485
Contributions receivable (Notes 2D, 2E, 3, 5B)	2,225,629
Grants and contracts receivable (Notes 2D and 2E)	432,326
Prepaid expenses and other assets	<u>69,234</u>

TOTAL ASSETS **\$ 5,402,674**

LIABILITIES

Accounts payable and accrued expenses	<u>\$ 200,995</u>
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NET ASSETS (Note 2C)

Unrestricted	2,940,048
Temporarily restricted (Notes 2C and 5)	<u>2,261,631</u>

TOTAL NET ASSETS 5,201,679

TOTAL LIABILITIES AND NET ASSETS \$ 5,402,674

WOMEN'S REFUGEE COMMISSION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:			
Corporation and Foundation contributions (Note 2D)	\$ 2,015,936	\$ 2,601,054	\$ 4,616,990
Government grants (Note 2D)	476,776	-	476,776
Other contributions (Note 2D)	705,962	-	705,962
Individual contributions (Note 2D)	231,797	-	231,797
In-Kind contributions (Note 2F)	65,037	-	65,037
Membership dues	10,776	-	10,776
Net assets released from restrictions (Note 4)	339,423	(339,423)	-
TOTAL SUPPORT AND REVENUE	3,845,707	2,261,631	6,107,338
EXPENSES (Note 2G):			
Program services (Note 1)	670,220	-	670,220
Administrative and support	197,491	-	197,491
Fundraising	37,948	-	37,948
TOTAL EXPENSES	905,659	-	905,659
CHANGE IN NET ASSETS AND NET ASSETS END OF YEAR	\$ 2,940,048	\$ 2,261,631	\$ 5,201,679

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

**WOMEN'S REFUGEE COMMISSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Supporting Services</u>			<u>Total Expenses</u>
	<u>Program Services</u>	<u>Fundraising</u>	<u>Management</u>	
Salaries and wages	\$ 317,288	\$ 19,331	\$ 61,398	\$ 398,017
Payroll taxes and employee benefits	70,706	4,308	12,961	87,975
Total salaries and related costs	<u>387,994</u>	<u>23,639</u>	<u>74,359</u>	<u>485,992</u>
Professional fees	108,079	270	104,019	212,368
Advertising and Promotion	649	-	-	649
Charitable Contributions	15,000	-	-	15,000
Dues and Subscriptions	1,339	333	3,077	4,749
Meetings and conferences	2,193	48	476	2,717
Equipment Rental	8,686	1,747	199	10,632
Facilities	63,144	8,614	2,212	73,970
Insurance	-	-	4,573	4,573
Office Supplies	1,458	1,273	556	3,287
Printing and Publications	2,492	2,006	24	4,522
Telecommunication	979	-	159	1,138
Travel Expenses	17,670	-	159	17,829
Payroll Processing and Bank Fees	<u>-</u>	<u>18</u>	<u>3,178</u>	<u>3,196</u>
Subtotal (excluding in-kind expenses)	<u>609,683</u>	<u>37,948</u>	<u>192,991</u>	<u>840,622</u>
Add: in-kind expenses				
Legal fees	60,537	-	-	60,537
Other professional fees	<u>-</u>	<u>-</u>	<u>4,500</u>	<u>4,500</u>
Subtotal in-kind expenses	<u>60,537</u>	<u>-</u>	<u>4,500</u>	<u>65,037</u>
TOTAL EXPENSES	<u><u>\$ 670,220</u></u>	<u><u>\$ 37,948</u></u>	<u><u>\$ 197,491</u></u>	<u><u>\$ 905,659</u></u>

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

WOMEN'S REFUGEE COMMISSION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 5,201,679
Increase/(decrease) in cash flows due to Changes in operating assets and liabilities:	
Contributions receivable	(2,225,629)
Grants and contracts receivable	(432,326)
Prepaid expenses and other assets	(69,234)
Accounts payable and accrued expenses	<u>200,995</u>
 Net Cash Provided by Operating Activities	 <u>2,675,485</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS AND CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 2,675,485</u>

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

**WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014**

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS

Women's Refugee Commission, Inc. ("WRC") was organized under the not-for-profit laws of the State of Delaware in 2013 to improve the lives and protect the rights of women, children and youth displaced by conflict and crisis. WRC envisions a world in which refugees are safe, healthy and self-reliant.

WRC was officially established in 1989 as a semi-independent component of the International Rescue Committee until 2014 when it became a separate entity. WRC received its public charity determination from the Internal Revenue Service on April 16, 2014 (effective August 9, 2013) and as such is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. WRC officially commenced operations in July 2014.

Through research and fact-finding field missions, WRC identifies critical problems that affect displaced women, children and young people, including gaps in lifesaving reproductive health care, lack of dignified livelihoods for refugees and, in the U.S., the treatment of asylum-seekers. WRC documents best practices and proposes solutions, and develops innovative tools to improve the way humanitarian assistance is delivered in refugee settings. On Capitol Hill, at the United Nations and with humanitarian organizations, governments and donors, the organization pushes for improvements in refugee policy and practice until measurable long-term change is realized.

Descriptions of WRC's major programs are as follows:

- **Adolescent Girls:** Adolescence is a critical time to inspire and empower girls in the pivotal years. But when conflicts or crises displace adolescent girls from their homes, families and schools, they face heightened risks of exploitation, sexual and gender-based violence and early pregnancy. Pregnancy and childbirth are the leading causes of death among girls 15-19 years old in developing countries. Girls are more likely than boys to be denied secondary education, which increases rates of early marriage and early childbearing. They are far more likely to be socially isolated, depriving them of friends, mentors and role models to shape their self-esteem and future well-being.

At the WRC, we begin by strengthening the capacity of the girl herself. We learn from girls what works and what doesn't, and then we partner with local organizations to design unique projects to meet girls' needs and to protect their rights. For girls to be safe and to thrive, they require security and education, health care, social support and mentors. They flourish when given opportunities to develop the confidence, critical thinking and support networks necessary to make good, informed decisions for their lives. The WRC identifies adolescent girls' most critical needs, and then formulates and advocates solutions. Our reports include situational assessments, guidance documents, implementation tools, and deeper reports.

- **Children and Youth:** The Women's Refugee Commission recently launched a three-year research and advocacy initiative that aims to place displaced youth firmly on the international humanitarian agenda and promote comprehensive educational and job training programs that help prepare young women and men for life during and after displacement.
- **Disabilities among Refugees:** An estimated 2.5 to 3.5 million displaced persons live with a disability. They remain among the most hidden, neglected and socially excluded of any population in the world today. Because of physical and social barriers, they are unable to access mainstream assistance programs offered to other refugees. WRC is working to ensure that all service providers working with conflict-affected populations take into account the specific needs of persons with disabilities in their programming

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS (Continued)

- **Gender-based Violence:** Around the world, up to six of every ten women experience physical and/or sexual violence in their lifetime. During war or other humanitarian crises—such as the brutal conflict currently occurring in Syria—the risks to women and girls are heightened. With the breakdown of moral and social order that occurs during emergencies, women and girls are particularly vulnerable to physical abuse and exploitation, rape and human trafficking. Perpetrators may be family members, neighbors or others in the community, members of armed groups or, in some instances, humanitarian workers. Even after a crisis abates, gender-based violence (GBV) may continue at high levels as communities struggle to heal and rebuild.
- **Livelihoods:** As the average length of displacement continues to increase, the Women's Refugee Commission advocates for the right to work for all displaced populations and is working to ensure that economic programs are effective, appropriate and sustainable.
- **Migrant Rights & Justice:** Women and children seeking asylum in the U.S. are often detained for months or even years they await decisions on their cases. While in detention, they are particularly vulnerable to abuse. The Migrant Rights & Justice program works to ensure that these asylum seekers are not held longer than necessary and that their basic rights are respected.
- **Safe Access to Fuel and Energy (SAFE):** Refugee women and girls risk rape and attack each time they leave camps to collect firewood to cook for their families. Through WRC Fuel and Firewood Initiative, the Women's Refugee Commission is leading a global effort to make cooking safer for refugee women and girls.
- **Sexual & Reproductive Health:** WRC's Sexual & Reproductive Health Program works to improve services for displaced women and girls in maternal & newborn health, family planning, sexually transmitted infections, including HIV/AIDS, and gender-based violence. WRC advocate to UN agencies, governments and donors on all components of reproductive health, including the priority services of the Minimum Initial Service Package (MISP) in the early days of new emergencies.
- **Statelessness:** An estimated 12 million people worldwide are stateless, with no country to call home. They are not recognized as nationals of the countries where they live, and as a result are denied basic human rights. For many people, this situation arises because of gender discrimination in nationality laws. This occurs when nationality legislation prevents women from acquiring, changing, retaining or passing on their nationality to their children and/or their spouses on an equal basis with men.

Twenty-four countries around the world, 11 of them in the Middle East and North Africa, still have discriminatory nationality laws that make it impossible for women to transfer their nationality to their children or to their non-national spouses. It also impacts inheritance and property rights, leaving those affected unable to transfer their financial and material resources to their children.

WRC and the Statelessness Program at Tilburg University (Netherlands) have published a report, *Our Motherland, Our Country: Gender Discrimination and Statelessness in the Middle East and North Africa*, based on field research in Kuwait and Jordan, which still maintain gender discrimination in their nationality laws, and in Morocco and Egypt, which have enacted nationality legislation to address statelessness.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. *Basis of Accounting*** - WRC adheres to accounting principles generally accepted in the United States of America (GAAP).
- B. *Cash and Cash Equivalents*** - Cash equivalents include all cash balances and highly liquid debt investments with a maturity of three months or less when acquired.
- C. *Basis of Presentation*** - WRC maintains its net assets under the following classes:
- Unrestricted – represents net assets not subject to donor-imposed stipulations and that have no time restrictions. This is available to support WRC's operations over which the Board of Directors has discretionary control.
 - Temporarily Restricted – represents net assets that are subject to donor-imposed stipulations. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
 - Permanently restricted – represents those resources subject to donor imposed stipulations that they be maintained intact in perpetuity. Generally, the donor permits the use of all the income on related investments and the net capital appreciation thereon, for restricted purposes. WRC had no permanently restricted net assets as of September 30, 2014.
- D. *Revenue Recognition*** – In accordance with GAAP, contributions received are classified depending on the existence or the nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily or permanently restricted support and increase those net assets classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Unless material, WRC does not discount to present value pledges and grants to be received after more than one year.
- Contributions received, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are recognized as revenue in the period when the conditions are met.
- Government grants for cost reimbursement contracts are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, WRC records advances from government funders.
- E. *Allowance for Uncollectible Contributions and Grants Receivable*** - WRC determines whether an allowance for uncollectible contributions and grants receivable should be provided based on management's analysis of specific promises to give. As of September 30, 2014, WRC determined that no allowance was necessary.
- F. *In-Kind Contributions*** - WRC records contributed services at their estimates fair value on the date of receipt. Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services amounted to \$65,037 for the period ended September 30, 2014 and consisted of legal fees and seminars, amounting to \$60,537 and \$4,500, respectively.

**WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- G. *Functional Allocation of Expenses*** - The costs of providing the various program and supporting services have been summarized on a functional basis in the accompanying statements of functional expenses. Certain costs have been allocated among the program and supporting services.
- H. *Use of Estimates*** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. Accordingly actual results could differ from those estimates.
- I. *Income Taxes*** - WRC follows Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, which provides standards for establishing classifying any tax provisions for uncertain tax positions.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of September 30, 2014:

	2014
Due within one year	\$ 1,665,664
Due within one to five years	559,965
Total contributions and grants receivable	\$ 2,225,629

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of September 30, 2014:

	2014
Children and Adolescent	\$ 46,392
Migrants Rights and Justice	867,679
Livelihoods	199,802
Disabilities	334,036
Reproductive Health	719,106
Fuel and Firewood Initiative	85,820
Development	8,796
	\$ 2,261,631

Temporarily restricted net assets of \$2,261,631 were available for program services at September 30, 2014. Net assets were released from donor restrictions during the period ended September 30, 2014 by incurring expenses satisfying the restricted purpose or occurrence specified by the donors and amounted to \$339,423.

**WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014**

NOTE 5 – CONCENTRATIONS

A. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to a concentration of credit risk include cash accounts with banks that may exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limit amount of \$250,000 per depositor.

As of September 30, 2014, the Organization had insured cash accounts that exceeded the FDIC insurance limit by approximately \$2,500,000.

B. Concentration of Revenues and Receivables

As of September 30, 2014, one major donor contributed approximately 21% of the total support and revenues (excluding in-kind contributions). Contributions receivable included receivables from one donor, totaling \$654,034 that represented 25% of the total contributions receivables. In addition, grants and contracts receivables included receivables from one donor, totaling \$333,366 that represented 77% of total grants and contracts receivables.

NOTE 6—COMMITMENTS AND CONTINGENCIES

WRC is obligated under certain agreements for office space, occupancy, technology support, business services, financial services and procurement support. Minimum annual rentals related to the leases are approximately as follows for years ending after September 30, 2014:

	<u>Real Property</u>	<u>Occupancy</u>	<u>Technology and other Services</u>	<u>Total</u>
2015	\$ 288,000	\$ 103,000	\$ 72,000	\$ 463,000
2016	<u>227,000</u>	<u>85,000</u>	<u>58,000</u>	<u>370,000</u>
	<u>\$ 515,000</u>	<u>\$ 188,000</u>	<u>\$ 130,000</u>	<u>\$ 833,000</u>

On December 8, 2014, WRC signed a three-year and four months lease agreement for office space in Washington D.C. effective February 1, 2015.

Rent and other expenses incurred under these agreements for the period ended September 30, 2014 amounted to approximately \$83,000 and are included in facilities expense in the accompanying financial statements.

NOTE 7– EMPLOYEE BENEFIT PLANS

Effective August 1, 2014, WRC established a 403(b) Savings Plan (the “Plan”), which is a spin-off from the International Rescue Committee (“IRC”) 403(b) Savings Plan, established on October 1, 2013. The Plan covers all U.S. based and expatriate personnel subject to eligibility requirements. WRC makes contributions based on a prescribed matching schedule of employee contributions. Basic employee contributions up to 6% of the participant’s compensation are eligible for matching contributions by WRC.

Matching contributions are deposited in the plan each payroll period based on the following formula

- 100% of the basic employee contribution up the first 3% of compensation.
- 50% of basic employee contribution up to the next 3% of compensation.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014

NOTE 7– EMPLOYEE BENEFIT PLANS (continued)

WRC provides base contributions, in addition to the existing matching contributions program, which allows for immediate eligibility with a three-year vesting requirement for the base contribution.

WRC contributed \$15,393 to the Plan for the period ended September 30, 2014.

NOTE 8– SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the statement of financial position date through April 29, 2015, the date the financial statements were available to be issued. Except as disclosed in Note 6, no events have occurred subsequent to the statement of financial position date through April 29, 2015 that would require adjustment to or disclosure in the financial statements.