



**Women's Refugee Commission, Inc.**

**Financial Statements and  
Supplementary Information  
(Together with Independent Auditors' Report)**

**Years Ended September 30, 2019 and 2018**

**M A R K S P A N E T H**

ACCOUNTANTS & ADVISORS

**WOMEN’S REFUGEE COMMISSION, INC.**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
(Together with Independent Auditors’ Report)**

**YEARS ENDED SEPTEMBER 30, 2019 and 2018**

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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 statements of financial position as of September 30, 2019 and 2018, 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.

### ***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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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, 2019 and 2018 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.

## Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended September 30, 2019, Women's Refugee Commission, Inc. adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

*Marks Paneth LLP*

Purchase, NY  
March 2, 2020

**WOMEN'S REFUGEE COMMISSION, INC.  
STATEMENTS OF FINANCIAL POSITION**

	<b>September 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,754,680	\$ 8,138,781
Contributions and grants receivable, net	7,164,268	3,803,456
Sub-contractor receivable	402,743	123,621
Prepaid expenses and other assets	151,035	147,298
Fixed assets, net	155,033	192,760
Security deposit	133,055	132,952
<b>TOTAL ASSETS</b>	<b>\$ 14,760,814</b>	<b>\$ 12,538,868</b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 564,893	\$ 360,746
Deferred rent	188,643	170,498
Deferred revenue	-	5,756
<b>TOTAL LIABILITIES</b>	<b>753,536</b>	<b>537,000</b>
<b>Commitments and Contingencies</b>		
<b>NET ASSETS</b>		
Without donor restrictions	2,809,595	2,024,498
With donor restrictions	11,197,683	9,977,370
<b>TOTAL NET ASSETS</b>	<b>14,007,278</b>	<b>12,001,868</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 14,760,814</b>	<b>\$ 12,538,868</b>

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

**WOMEN'S REFUGEE COMMISSION, INC.  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	<u>Year Ended September 30, 2019</u>			<u>Year Ended September 30, 2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE:</b>						
Corporation and Foundation contributions	\$ 50,393	2,772,016	\$ 2,822,409	\$ 158,464	\$ 6,312,548	\$ 6,471,012
Government grants	634,334	3,886,604	4,520,938	1,097,519	3,725,833	4,823,352
United Nations	-	1,203,259	1,203,259	-	529,912	529,912
Other contributions	8,496	8,585	17,081	1,448	-	1,448
Individual contributions	1,337,105	-	1,337,105	1,457,252	-	1,457,252
Concert series	581,697	-	581,697	-	-	-
Special events income	895,301	-	895,301	675,458	-	675,458
Net direct benefit to donors	(71,702)	-	(71,702)	(68,540)	-	(68,540)
In-Kind contributions	554,046	-	554,046	210,534	-	210,534
Membership dues	19,437	-	19,437	44,771	-	44,771
Net assets released from restrictions	<u>6,650,151</u>	<u>(6,650,151)</u>	<u>-</u>	<u>4,450,595</u>	<u>(4,450,595)</u>	<u>-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>10,659,258</u>	<u>1,220,313</u>	<u>11,879,571</u>	<u>8,027,501</u>	<u>6,117,698</u>	<u>14,145,199</u>
<b>EXPENSES:</b>						
Program services	8,298,915	-	8,298,915	6,207,546	-	6,207,546
Fundraising	905,260	-	905,260	705,260	-	705,260
Management and general	589,519	-	589,519	599,678	-	599,678
<b>TOTAL EXPENSES</b>	<u>9,793,694</u>	<u>-</u>	<u>9,793,694</u>	<u>7,512,484</u>	<u>-</u>	<u>7,512,484</u>
<b>CHANGES IN NET ASSETS FROM OPERATING ACTIVITIES</b>	865,564	1,220,313	2,085,877	515,017	6,117,698	6,632,715
<b>NON-OPERATING ACTIVITIES</b>						
Foreign currency exchange loss	<u>(80,467)</u>	<u>-</u>	<u>(80,467)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CHANGES IN NET ASSETS</b>	785,097	1,220,313	2,005,410	515,017	6,117,698	6,632,715
<b>Net assets - beginning of year</b>	<u>2,024,498</u>	<u>9,977,370</u>	<u>12,001,868</u>	<u>1,509,481</u>	<u>3,859,672</u>	<u>5,369,153</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,809,595</u>	<u>\$ 11,197,683</u>	<u>\$ 14,007,278</u>	<u>\$ 2,024,498</u>	<u>\$ 9,977,370</u>	<u>\$ 12,001,868</u>

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

**WOMEN'S REFUGEE COMMISSION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2019**  
**(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2018)**

	For the Year Ended September 30, 2019				
	Supporting Services				
	Program Services	Fundraising	Management and General	2019 Total Expenses	2018 Total Expenses
Salaries and wages	\$ 3,410,914	\$ 345,946	\$ 13,812	\$ 3,770,672	\$ 3,274,398
Payroll taxes and employee benefits	758,574	76,653	3,049	838,276	711,055
Total salaries and related costs	4,169,488	422,599	16,861	4,608,948	3,985,453
Professional fees	1,446,774	154,341	37,275	1,638,390	953,479
Advertising and promotion	4,045	60,481	65	64,591	10,282
Sub-grants	1,069,358	-	-	1,069,358	779,139
Charitable contributions	4,000	-	-	4,000	3,528
Dues and subscriptions	38,243	19,021	22,161	79,425	60,828
Meetings and conferences	161,168	70,476	23,523	255,167	322,937
Equipment rental	102,255	14,126	6,786	123,167	100,034
Facilities	474,258	55,402	2,642	532,302	512,324
Insurance	38,434	5,265	10,837	54,536	55,057
Office supplies	14,508	11,324	9,269	35,101	21,350
Printing and publications	203,930	75,925	2,180	282,035	115,409
Telecommunication	30,112	5,377	7,458	42,947	43,450
Travel expenses	348,369	64,731	11,290	424,390	331,168
Payroll processing and bank fees	1,089	12,150	14,977	28,216	24,006
Depreciation	43,183	4,749	457	48,389	47,729
Miscellaneous expense	6,528	995	12,865	20,388	4,317
Subtotal (excluding in-kind expenses)	8,155,742	976,962	178,646	9,311,350	7,370,490
Add: in-kind expenses					
Legal fees	143,173	-	410,873	554,046	210,534
Less: direct benefits to donors recorded on statement of activities and changes in net assets	-	(71,702)	-	(71,702)	(68,540)
<b>TOTAL EXPENSES</b>	<b>\$ 8,298,915</b>	<b>\$ 905,260</b>	<b>\$ 589,519</b>	<b>\$ 9,793,694</b>	<b>\$ 7,512,484</b>

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

**WOMEN'S REFUGEE COMMISSION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2018**

	<b>For the Year Ended September 30, 2018</b>			
	<b>Supporting Services</b>			
	<b>Program Services</b>	<b>Fundraising</b>	<b>Management and General</b>	<b>2018 Total Expenses</b>
Salaries and wages	\$ 2,840,904	\$ 321,983	\$ 111,511	\$ 3,274,398
Payroll taxes and employee benefits	617,104	69,780	24,171	711,055
Total salaries and related costs	3,458,008	391,763	135,682	3,985,453
Professional fees	761,973	127,416	64,090	953,479
Advertising and promotion	9,058	836	388	10,282
Sub-grants	779,139	-	-	779,139
Charitable contributions	3,528	-	-	3,528
Dues and subscriptions	25,532	15,205	20,091	60,828
Meetings and conferences	245,902	68,503	8,532	322,937
Equipment rental	82,219	9,173	8,642	100,034
Facilities	348,107	62,659	101,558	512,324
Insurance	40,200	5,892	8,965	55,057
Office supplies	5,992	6,022	9,336	21,350
Printing and publications	66,878	47,836	695	115,409
Telecommunication	30,764	5,573	7,113	43,450
Travel expenses	320,226	11,150	(208)	331,168
Payroll processing and bank fees	421	15,877	7,708	24,006
Depreciation	26,166	5,671	15,892	47,729
Miscellaneous expense	3,433	224	660	4,317
Subtotal (excluding in-kind expenses)	6,207,546	773,800	389,144	7,370,490
Add: in-kind expenses				
Legal fees	-	-	210,534	210,534
Less: direct benefits to donors recorded on statement of activities and changes in net assets	-	(68,540)	-	(68,540)
<b>TOTAL EXPENSES</b>	<b>\$ 6,207,546</b>	<b>\$ 705,260</b>	<b>\$ 599,678</b>	<b>\$ 7,512,484</b>

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



**WOMEN'S REFUGEE COMMISSION, INC.  
STATEMENTS OF CASH FLOWS**

	<b>Years Ended September 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 2,005,410	\$ 6,632,715
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	48,389	47,729
Amortization of discount on contributions receivable	(20,667)	(471)
Changes in operating assets and liabilities:		
Contributions and grant receivable	(3,340,145)	(306,947)
Sub-contractor receivable	(279,122)	68,838
Prepaid expenses and other assets	(3,737)	(17,319)
Security deposit	(103)	(171)
Accounts payable and accrued expenses	204,147	103,507
Deferred rent	18,145	14,003
Deferred income	(5,756)	5,756
<b>Net Cash (Used In) Provided by Operating Activities</b>	<b>(1,373,439)</b>	<b>6,547,640</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of fixed assets	(10,662)	(7,799)
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,384,101)	6,539,841
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>8,138,781</b>	<b>1,598,940</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 6,754,680</b>	<b>\$ 8,138,781</b>

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

**WOMEN'S REFUGEE COMMISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS**

Women's Refugee Commission, Inc. ("WRC" or the "Organization") 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 part 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. See Note 2 for period of operations of WRC for these financial statements.

Through research and fact-finding field missions, the Organization 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 DURING 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 in-depth reports to share learning.
- **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. The Women's Refugee Commission 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. WRC has led global efforts on disability inclusion in humanitarian contexts and serves on the task team developing the U.N. Inter-Agency Standing Committee Guidelines on the Inclusion of Persons with Disabilities in Humanitarian Action.
- **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

**WOMEN'S REFUGEE COMMISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS (Continued)**

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. WRC is the Non-Governmental Organization (“NGO”) lead on the multi-stakeholder, Call to Action to Address GBV in Emergencies. This includes supporting the Government lead (Canada), supporting rollout in at the country level, analyzing partner commitments to address gaps, and capturing progress against the Call to Action roadmap indicators.

- **Livelihoods:** As the average length of displacement continues to increase – now some 20 years, on average, 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. WRC’s work includes ensuring safe economic opportunities for women, promoting the use of cash to achieve protection outcomes including reductions in risk of gender-based violence, and promoting the use of a WRC developed index to measure the impacts of livelihood programs.
- **Migrant Rights & Justice:** The Migrants Rights and Justice (MRJ) program works to ensure fair access to asylum in the U.S. for those fleeing persecution and violence, promotes the use of alternatives to detention especially of asylum seeking children and families, humane conditions in detention facilities when they are used, and access to legal services for their asylum claims. The MRJ program successfully advocated against the family separation policy, for better protections for unaccompanied minors arriving in the U.S., and for release of families when feasible.
- **Sexual & Reproductive Health:** WRC’s Sexual and 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 for needed health services for survivors of gender-based violence. WRC advocates 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. WRC also serves as the Secretariat for the Inter-Agency Working Group on Reproductive Health in Emergencies and leads efforts on family planning, safe access to abortion care, and adolescent sexual and reproductive health services.
- **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 leads a global campaign on Equal National Rights to address gender discrimination in nationality laws. Steering Committee members include UNHCR, UN Women, UNICEF, Equal Rights Trust, the International Statelessness Institute, and Equality Now. With the Steering Committee and a host of national partners, WRC works with parliamentarians around the world to enact changes in their national laws and policies to end gender discrimination in the nationality laws as a means of reducing statelessness and expanding rights for affected individuals and families.

**WOMEN'S REFUGEE COMMISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**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 highly liquid debt investments with a maturity of three months or less when acquired.

***Basis of Presentation*** – The Organization's financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") guidance on reporting information regarding its financial position and activities for not-for-profit organizations. Under that guidance, the Organization is required to report information regarding its net assets and revenues, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- Without donor restrictions – Net assets that are not subject to donor-imposed stipulations, including board designated funds functioning as endowment.
- With donor restrictions – Net assets subject to donor-imposed stipulations, including stipulations that will be met either by actions of the Organization or the passage of time, stipulations that they be maintained permanently by the Organization, and net assets from endowments not yet appropriated for spending. When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions. Endowment earnings and donor restricted contributions whose restrictions are met in the same reporting period are reported as without donor restrictions revenues and support.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled, the stipulated time period has elapsed, or endowment earnings are appropriated) are reported as net assets released from restrictions.

- C. ***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 support without donor restrictions 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 support with donor restrictions and increase those net assets classes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restriction and reported in the statements of activities and changes in net assets 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.

**WOMEN'S REFUGEE COMMISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- D. *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. WRC determined that no allowance was necessary as of September 30, 2019 and 2018.
- E. *Sub-contractor receivable*** - Sub-contractor receivable represents advances paid to sub-contractors to perform certain obligations as per their contract with WRC. The receivables will be expensed once a financial report is received from the sub-contractor and approved by WRC. In the event that the sub-contractor does not expend the entire sub-contract amount, the remaining balance is owed back to WRC.
- F. *In-Kind Contributions*** - WRC records contributed services at their estimated 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 consisting of legal fees amounted to \$554,046 and \$210,534 for the years ended September 30, 2019 and 2018, respectively
- G. *Fixed Assets*** - Fixed assets are stated at cost. WRC capitalizes fixed assets with a cost of \$1,000 or more and a useful life greater than one year. Depreciation is provided on a straight-line basis over the estimated lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the remaining term of the applicable lease.
- H. *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. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services.
- The financial statements report certain categories of expenses that are attributed to more than one program or function. Therefore, expenses require allocation on a reasonable basis that are consistently applied. The expenses that are allocated include salaries, payroll taxes and employee benefits, which are based on estimates of time and effort spent on direct administration or program services. Professional fees, advertising and promotion, dues and subscriptions, meetings and conferences, equipment rental, office supplies, printing and publications, telecommunications and travel are expenses tracked by account across functions. Other expenses that are allocated include facilities, insurance, payroll processing and bank fees.
- I. *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.
- J. *Income Taxes*** - WRC follows FASB Accounting Standards Codification ("ASC") Topic 740, which provides standards for establishing classifying any tax provisions for uncertain tax positions.
- K. *Reclassifications*** - Certain reclassifications of the prior year's amounts were made to conform to the current year presentation.

**WOMEN'S REFUGEE COMMISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recent Authoritative Pronouncements** - FASB Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* was adopted for the year ended September 30, 2019. ASU 2016-14 provides for a number of changes including the presentation of two classes of net assets and enhanced disclosure of liquid resources and expense allocation. These changes had no impact on the change in net assets for the years ended September 30, 2019 and 2018.

The FASB has issued standards that the Organization must consider for adoption over the next two years. Those standards include the following: 1) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* effective for the year ended December 31, 2019; which aims to assist entities in evaluating whether contributions should be accounted for as contributions or exchange transactions and determination as to whether a contribution is conditional, and 2) *Leases*, effective for the year ended December 31, 2021, which aims to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The Organization is currently evaluating the impact of the adoption of these standards on its financial statements.

In May 2014, the FASB issued ASU 2014-09, (Topic 606): *Revenue from Contracts with Customers*, which provides guidance for revenue recognition. The pronouncement requires that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The two permitted transition methods under the guidance are the full retrospective approach or a cumulative effect adjustment to the opening retained earnings in the year of adoption. The new standard is effective for annual periods beginning after December 15, 2018.

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES**

The Organization regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents and marketable debt and equity securities. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities as well as services undertaken to support those activities to be general expenditures. Additionally, as discussed in more detail in Note 10, the Organization maintains a \$100,000 line of credit, of which \$100,000 remained available as of September 30, 2019.

As of September 30, 2019, the Organization’s financial assets available for general expenditures within one year of the statement of financial position comprise the following:

Cash and cash equivalents	\$	6,754,680
Contributions and grants receivable, net		7,164,268
Less: with donor restrictions		<u>(11,197,683)</u>
Total	\$	<u><u>2,721,265</u></u>

**WOMEN'S REFUGEE COMMISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 4 – CONTRIBUTIONS RECEIVABLE**

Contributions receivable consisted of the following as of September 30,

	2019	2018
Due within one year	\$ 3,144,050	\$ 2,414,320
Due within one to five years	4,048,077	1,396,328
Total contributions and grants receivable	7,192,127	3,810,648
Less: present value discount	(27,859)	(7,192)
	\$ 7,164,268	\$ 3,803,456

**NOTE 5 – FIXED ASSETS**

Fixed assets are capitalized and carried at cost, less accumulated depreciation.

Depreciation is computed on the straight-line basis over the estimated useful lives. A summary of fixed assets is as follows as of September 30,

	2019	2018
Office Equipment	\$ 61,686	\$ 51,024
Furniture and Fixtures	177,269	177,269
Leasehold Improvements	71,191	71,191
	310,146	299,484
Less accumulated depreciation	(155,113)	(106,724)
	\$ 155,033	\$ 192,760

Depreciation and amortization expense amounted to \$48,389 and \$47,729 for years ended September 30, 2019 and 2018, respectively.

**WOMEN'S REFUGEE COMMISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following as of September 30,

	2019	2018
Children and Adolescent	\$ 40,706	\$ -
Migrants Rights and Justice	362,723	699,320
Livelihoods	4,121,491	915,078
Disabilities	215,861	474,974
Reproductive Health	6,374,691	7,406,449
Advocacy	41,780	60,604
Time Restricted	40,431	420,945
	\$ 11,197,683	\$ 9,977,370

Net assets with donor restrictions of \$11,197,683 and \$9,997,370 were available for program services at September 30, 2019 and 2018, respectively. Net assets were released from donor restrictions during the years ended September 30, 2019 and 2018 by incurring expenses satisfying the restricted purpose or occurrence specified by the donors and amounted to \$6,650,151 and \$4,450,595, respectively.

**NOTE 7 – 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.

The Organization had insured cash accounts that exceeded the FDIC insurance limit for the years ended September 30, 2019 and 2018 by approximately \$6,561,000 and \$7,930,000, respectively.

**B. *Concentration of Revenues and Receivables***

For the year ended September 30, 2019, two major donors contributed approximately 42% of the total support and revenues (excluding in-kind contributions.) At September 30, 2019 contributions receivable included receivables from three donors, totaling \$4,999,164 that represented approximately 70% of the total contributions and grants receivable.

For the year ended September 30, 2018, five major donors contributed approximately 61% of the total support and revenues (excluding in-kind contributions.) At September 30, 2018 contributions receivable included receivables from three donors, totaling \$2,232,165 that represented approximately 59% of the total contributions and grants receivable.



**WOMEN'S REFUGEE COMMISSION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019 AND 2018**

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

**The Organization has two office leases**

On February 12, 2016, WRC signed a ten-year and four months lease agreement for office space in New York City effective May 1, 2016.

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. The original lease was extended on March 19, 2018 effective June 1, 2018. This extension was for three years and three months.

Future minimum payments under these lease agreements for years subsequent to September 30, 2019 are as follows:

2020	\$	467,961
2021		471,924
2022		416,384
2023		424,710
2024		433,204
Thereafter		814,346
	\$	<u>3,028,529</u>

Rent and other expenses incurred under these agreements for the years ended September 30, 2019 and 2018 amounted to approximately \$532,000 and \$512,000, respectively, and are included in facilities expense in the accompanying statements of functional expenses.

**NOTE 9 – 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.

WRC contributed \$138,630 and \$119,505 to the Plan for the years ended September 30, 2019 and 2018, respectively.

**NOTE 10 – LINE OF CREDIT**

The Organization attained a line of credit effective June 1, 2018 for \$100,000 with TD Bank, N.A. ("Lender"), of which \$100,000 was unused at September 30, 2019 and as of the date of the independent auditors' report. Bank advances on the credit line are payable on demand and carry an interest rate of no less than 4.75%. The credit line is secured by all assets of the Organization. The Organization will have to pay this loan in full immediately upon Lender's demand.

**WOMEN'S REFUGEE COMMISSION, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019 AND 2018**

**NOTE 11 – SUBSEQUENT EVENTS**

Management has evaluated, for potential recognition and disclosure, events subsequent to the statement of financial position date through March 2, 2020, the date the financial statements were available to be issued.

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

### **INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

We have audited the financial statements of Women's Refugee Commission, Inc. as of and for the years ended September 30, 2019 and 2018 and our report thereon dated March 2, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of expenses for the year ended September 30, 2019 relating to The Swiss Confederation Swiss Federal Department of Foreign Affairs and The International Planned Parenthood Federation are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Marks Paneth LLP*

March 2, 2020  
Purchase, NY

**WOMEN'S REFUGEE COMMISSION, INC.**  
**SCHEDULE OF EXPENSES RELATING TO THE SWISS CONFEDERATION**  
**SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS**  
**CONTRACT NO. 81051068**  
**Year Ended September 30, 2019**

	<u>Total Adjusted Budget</u>	<u>Previous Periods Expenses</u>	<u>Current Period Expenses</u>	<u>Grant-to-Date Expenses</u>	<u>Variance (Over)Under</u>
<b>Categories</b>					
Personnel and Fringe	\$ 60,910	\$ 29,259	\$ 21,656	\$ 50,915	\$ 9,995
Travel	34,500	19,183	9,588	28,771	5,729
Consultant/Audit Fees	125,000	48,950	72,877	121,827	3,173
Other Direct Costs	6,863	4,000	2,818	6,818	45
<b>Total Direct Cost</b>	<u>227,273</u>	<u>101,392</u>	<u>106,939</u>	<u>208,331</u>	<u>18,942</u>
<b>Indirect Cost</b>	<u>22,727</u>	<u>10,139</u>	<u>10,427</u>	<u>20,566</u>	<u>2,161</u>
<b>Total Expenditures</b>	<u>\$ 250,000</u>	<u>\$ 111,531</u>	<u>\$ 117,366</u>	<u>\$ 228,897</u>	<u>\$ 21,103</u>

See independent auditors' report on supplementary information.

**WOMEN'S REFUGEE COMMISSION, INC.**  
**SCHEDULE OF EXPENSES RELATING TO THE**  
**INTERATIONAL PLANNED PARENTHOOD FEDERATION**  
**Year Ended September 30, 2019**

	<u>Total Budget</u>	<u>Current Period Expenses</u>	<u>Variance (Over)Under</u>
<b>Categories</b>			
Personnel	\$ 249,886	\$ 133,574	\$ 116,312
Consultant/Audit Fees	31,500	2,762	28,738
Other Direct Costs	37,852	18,275	19,577
<b>Total Direct Cost</b>	<u>319,238</u>	<u>154,611</u>	<u>164,627</u>
<b>Indirect Cost</b>	<u>59,793</u>	<u>28,959</u>	<u>30,834</u>
<b>Total Expenditures</b>	<u><u>\$ 379,031</u></u>	<u><u>\$ 183,570</u></u>	<u><u>\$ 195,461</u></u>

See independent auditors' report on supplementary information.