



Women's Refugee Commission, Inc.

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

Years Ended September 30, 2021 and 2020

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, 2021 and 2020

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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, 2021 and 2020, 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, 2021 and 2020 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.

Marks Paneth

Purchase, NY
February 11, 2022

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

	September 30,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 7,138,215	\$ 7,104,867
Contributions and grants receivable	1,753,422	3,122,154
Sub-contractor receivable	131,436	510,020
Prepaid expenses and other assets	412,596	252,700
Fixed assets, net	94,700	121,893
Security deposit	133,087	133,420
TOTAL ASSETS	\$ 9,663,456	\$ 11,245,054
LIABILITIES		
Accounts payable and accrued expenses	\$ 586,490	\$ 654,864
Deferred rent	165,737	181,772
Refundable advances	1,376,776	550,331
Paycheck Protection Program loan	-	881,492
TOTAL LIABILITIES	2,129,003	2,268,459
Commitments and Contingencies		
NET ASSETS		
Without donor restrictions	4,213,356	2,839,616
With donor restrictions	3,321,097	6,136,979
TOTAL NET ASSETS	7,534,453	8,976,595
TOTAL LIABILITIES AND NET ASSETS	\$ 9,663,456	\$ 11,245,054

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

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

	Year Ended September 30, 2021			Year Ended September 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Corporation and Foundation contributions	\$ 751,418	\$ 2,889,716	\$ 3,641,134	\$ 139,197	\$ 1,880,564	\$ 2,019,761
Government grants	2,297,375	388,463	2,685,838	280,799	28,733	309,532
Gain on extinguishment of debt - PPP Loan	881,492	-	881,492	-	-	-
United Nations	28,176	(23,747)	4,429	97,890	190,359	288,249
Other contributions and income	17,926	2,020	19,946	21,143	15,157	36,300
Individual contributions	769,708	-	769,708	1,193,788	-	1,193,788
Concert series	-	-	-	327,419	-	327,419
Special events income	240,378	-	240,378	383,917	-	383,917
In-Kind contributions	40,749	-	40,749	113,229	-	113,229
Membership dues	36,260	-	36,260	35,415	-	35,415
Net assets released from restrictions	6,072,334	(6,072,334)	-	7,175,517	(7,175,517)	-
TOTAL SUPPORT AND REVENUE	<u>11,135,816</u>	<u>(2,815,882)</u>	<u>8,319,934</u>	<u>9,768,314</u>	<u>(5,060,704)</u>	<u>4,707,610</u>
EXPENSES:						
Program services	8,763,378	-	8,763,378	8,564,587	-	8,564,587
Management and general	219,220	-	219,220	186,922	-	186,922
Fundraising	818,643	-	818,643	922,622	-	922,622
TOTAL EXPENSES	<u>9,801,241</u>	<u>-</u>	<u>9,801,241</u>	<u>9,674,131</u>	<u>-</u>	<u>9,674,131</u>
CHANGES IN NET ASSETS FROM OPERATING ACTIVITIES	1,334,575	(2,815,882)	(1,481,307)	94,183	(5,060,704)	(4,966,521)
NON-OPERATING ACTIVITIES						
Foreign currency exchange gain (loss)	39,165	-	39,165	(64,162)	-	(64,162)
CHANGES IN NET ASSETS	1,373,740	(2,815,882)	(1,442,142)	30,021	(5,060,704)	(5,030,683)
Net assets - beginning of year	2,839,616	6,136,979	8,976,595	2,809,595	11,197,683	14,007,278
NET ASSETS - END OF YEAR	<u>\$ 4,213,356</u>	<u>\$ 3,321,097</u>	<u>\$ 7,534,453</u>	<u>\$ 2,839,616</u>	<u>\$ 6,136,979</u>	<u>\$ 8,976,595</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, 2021
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2020)

	Year Ended September 30, 2021				
	Supporting Services				
	Program Services	Management and General	Fundraising		2021 Total Expenses
Salaries and wages	\$ 3,563,488	\$ 32,783	\$ 381,083	\$ 3,977,354	\$ 4,170,520
Payroll taxes and employee benefits	861,467	7,871	91,491	960,829	938,040
Total salaries and related costs	4,424,955	40,654	472,574	4,938,183	5,108,560
Professional fees	2,023,169	39,347	121,185	2,183,701	1,457,335
Advertising and promotion	1,719	-	1,696	3,415	-
Sub-grants	1,480,574	-	-	1,480,574	1,613,762
Charitable contributions	3,500	-	15,000	18,500	3,500
Dues and subscriptions	76,877	40,292	32,396	149,565	111,712
Meetings and conferences	-	230	225	455	69,558
Equipment rental	108,555	8,081	12,626	129,262	123,602
Facilities	397,149	2,291	50,428	449,868	509,938
Insurance	44,359	7,321	6,721	58,401	65,805
Office supplies	2,953	-	10,027	12,980	25,769
Printing and publications	142,981	300	80,614	223,895	163,786
Telecommunication	27,888	5,473	3,228	36,589	38,888
Travel expenses	1,395	-	-	1,395	183,254
Payroll processing and bank fees	853	18,547	7,259	26,659	26,623
Depreciation and amortization	25,584	12,042	4,664	42,290	42,308
Miscellaneous expense	867	3,893	-	4,760	16,502
Subtotal (excluding in-kind expenses)	8,763,378	178,471	818,643	9,760,492	9,560,902
Add: in-kind expenses					
Legal fees	-	40,749	-	40,749	113,229
TOTAL EXPENSES	\$ 8,763,378	\$ 219,220	\$ 818,643	\$ 9,801,241	\$ 9,674,131

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

WOMEN'S REFUGEE COMMISSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2020 Total Expenses</u>
Salaries and wages	\$ 3,649,552	\$ 7,646	\$ 513,322	\$ 4,170,520
Payroll taxes and employee benefits	820,388	1,714	115,938	938,040
Total salaries and related costs	4,469,940	9,360	629,260	5,108,560
Professional fees	1,329,438	66,392	61,505	1,457,335
Sub-grants	1,613,762	-	-	1,613,762
Charitable contributions	3,500	-	-	3,500
Dues and subscriptions	52,665	30,098	28,949	111,712
Meetings and conferences	59,225	10,333	-	69,558
Equipment rental	96,375	10,302	16,925	123,602
Facilities	445,292	862	63,784	509,938
Insurance	45,140	13,412	7,253	65,805
Office supplies	10,960	6,452	8,357	25,769
Printing and publications	90,160	5,306	68,320	163,786
Telecommunication	29,884	5,413	3,591	38,888
Travel expenses	158,082	2,639	22,533	183,254
Payroll processing and bank fees	987	18,887	6,749	26,623
Depreciation and amortization	37,167	175	4,966	42,308
Miscellaneous expense	8,781	7,291	430	16,502
Subtotal (excluding in-kind expenses)	8,451,358	186,922	922,622	9,560,902
Add: in-kind expenses				
Legal fees	113,229	-	-	113,229
TOTAL EXPENSES	\$ 8,564,587	\$ 186,922	\$ 922,622	\$ 9,674,131

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

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

	Years Ended September 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,442,142)	\$ (5,030,683)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Gain on extinguishment of debt - PPP Loan	(881,492)	-
Depreciation and amortization	42,290	42,308
Changes in operating assets and liabilities:		
Contributions and grants receivable	1,368,732	4,042,114
Sub-contractor receivable	378,584	(107,277)
Prepaid expenses and other assets	(159,896)	(101,665)
Security deposit	333	(365)
Accounts payable and accrued expenses	(68,374)	89,971
Deferred rent	(16,035)	(6,871)
Refundable advances	826,445	550,331
Net Cash Provided by (Used In) Operating Activities	48,445	(522,137)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(15,097)	(9,168)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	-	881,492
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,348	350,187
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	7,104,867	6,754,680
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,138,215	\$ 7,104,867

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

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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.

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:

- **Gender Equality:** While gender has been prioritized in humanitarian response for nearly two decades, the system continues to fail women and girls and those with intersectional identities. Gender is neither understood by practitioners nor prioritized. WRC is working to change that by researching challenges and barriers in the system that impede progress and develop a roadmap for gender transformative approaches to humanitarian interventions. This, WRC believes, will not only enhance the protection and opportunities for displaced women and girls but will increase security, health status, and contribute to the economic development of communities impacted by displacement.
- **Adolescent Girls:** Adolescence is a critical time to inspire and empower girls during pivotal, life transforming 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, forced marriage, 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 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.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS (Continued)

WRC is also leading inter-agency efforts to research and understand how conflict and displacement impact the practice of child marriage to identify the drivers of such and identify programs and services that mitigate risks and reduce the practice.

- **Disabilities Among Refugees:** An estimated 7.5 to 11 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 served on the task team to develop the U.N. Inter-Agency Standing Committee Guidelines on the Inclusion of Persons with Disabilities in Humanitarian Action. This year, WRC conducted virtual trainings for practitioners and Organizations of Persons with Disabilities on implementation of the Guidelines.
- **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. 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 in 2018 - 2020/ Denmark in 2021 - 2023), supporting rollout in at the country level, analyzing partner commitments to address gaps, and capturing progress against the Call to Action roadmap indicators.

WRC has also led global efforts on researching sexual violence against displaced men, boys, and LGBTQ populations and has put these underserved populations on the humanitarian agenda through fact-finding research, the development of guidance and resources, and the provision of technical assistance.

- **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.

WRC is leading global efforts on the use of cash transfers in gender-based violence programming – both as a tool of prevention and also part of response to enhance access to support services. WRC's toolkit on cash and GBV is now being piloted in multiple settings with operational agency partners.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 1 – ORGANIZATION AND NATURE OF OPERATIONS (Continued)

WRC also co-leads the Refugee Self-Reliance Initiative that has three prongs of focus – measurement, programming, and advocacy. With partners, WRC developed the first tool for measuring refugee household's self-reliance, the Self-Reliance Index, which is now being used by 7 organizations in 8 different countries to measure the impacts of their livelihood programs. By building the evidence base, WRC intends to identify which programs work best where and for whom, and to advocate with donors for the funding of self-reliance programming and for hosting governments to create an enabling environment for refugees' economic lives.

- **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. WRC, working with partners, assisted in the reunification of thousands of children who had been separated from their families and has drafted a more humane asylum policy for the incoming administration.
- **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. Currently, WRC is working with multiple partners to bring comprehensive sexual and reproductive health services to the most marginalized populations in some of the world's most challenging environments. In addition, WRC has been working with the Government of Borno State, Nigeria to build the capacity of the local health department and strengthen the health worker cadre.

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 Nationality 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
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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.
- C. *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. 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.

- 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 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 restrictions 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
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- D. *Revenue Recognition (continued)*** - Government and foundation grants are nonexchange transactions accounted for under the FASB Accounting Standards Update (“ASU”) 2018-08. Multi-year governmental contracts included under government grants are cancellable by the funder upon its sole discretion. Governmental and foundation grants are recognized as revenue when barriers within the contract are overcome and there is no longer a right of return from obligation. Grants and contracts amounted to \$6,326,972 and \$2,329,293 for the years ended September 30, 2021 and 2020, respectively. There are instances when WRC receives advances from the governmental sources and foundations. Such advances are recorded as refundable advances in the accompanying statements of financial position.

As of September 30, 2021 and 2020, the Organization received conditional grants and contracts from government agencies in the aggregate amount of \$236,832 and \$956,611, respectively. Such grants have not been recognized in the accompanying financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

- 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. WRC determined that no allowance was necessary as of September 30, 2021, and 2020.
- F. *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.
- G. *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 \$40,749 and \$113,229 for the years ended September 30, 2021 and 2020, respectively.
- H. *Fixed Assets*** - Fixed assets are stated at cost less accumulated depreciation and amortization. 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.
- I. *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 statements of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (continued) - 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, 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.

- J. 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.
- K. Income Taxes** - WRC follows FASB Accounting Standards Codification (“ASC”) Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- L. Recently Adopted Accounting Standards** - FASB ASU 2014-09, Revenue from Contracts with Customers (Topic 606) was adopted for the year ended September 30, 2021. The core guidance in ASU 2014-09 is to recognize revenue to depict the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services as described above.

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. Additionally, as discussed in more detail in Note 11, the Organization maintains a \$100,000 line of credit, of which \$100,000 remained available as of September 30, 2021.

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

	2021	2020
Cash and cash equivalents	\$ 7,138,215	\$ 7,104,867
Contributions and grants receivable	1,753,422	3,122,154
Less: net assets with donor restrictions	(3,321,097)	(6,136,979)
Total	\$ 5,570,540	\$ 4,090,042

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 4 – CONTRIBUTIONS AND GRANTS RECEIVABLE

Contributions and grants receivable consisted of the following as of September 30,

	2021	2020
Due within one year	\$ 1,753,422	\$ 3,122,154

NOTE 5 – FIXED ASSETS

A summary of fixed assets is as follows as of September 30,

	2021	2020
Office Equipment	\$ 85,952	\$ 70,855
Furniture and Fixtures	177,269	177,269
Leasehold Improvements	71,191	71,191
	334,412	319,315
Less accumulated depreciation and amortization	(239,712)	(197,422)
	\$ 94,700	\$ 121,893

Depreciation and amortization expense amounted to \$42,290 and \$42,308 for the years ended September 30, 2021 and 2020, respectively.

NOTE 6 – PAYCHECK PROTECTION PROGRAM LOANS

On April 29, 2020, the Organization qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), from a qualified lender (the “PPP Lender”), for an aggregate principal amount of \$881,492 (the “PPP Loan”). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the SBA. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Organization’s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Organization. Management has opted to account for the proceeds as a loan under FASB ASC Topic 470 until the loan is, in part or wholly, forgiven and the Organization has been legally released. On May 26, 2021, the PPP loan was wholly forgiven.

On December 27, 2020, in response to COVID-19, the federal government passed part 2 of the CARES Act. The term of the loan is five years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the sixty-month period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the Organization’s employees. The Organization applied for this loan through an SBA authorized lender and received \$861,817 on February 26, 2021.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 6 – PAYCHECK PROTECTION PROGRAM LOANS (Continued)

In accounting for the terms of the PPP loan, the Organization is guided by FASB ASC Topic 958-605. The Organization has accounted for this under ASC 958-605 as a conditional contribution. At September 28, 2021, the Organization has met the conditions and recorded grant income of \$861,817 in the accompanying September 30, 2021 statement of activities and changes in net assets. The Organization applied for loan forgiveness for the PPP Loan and full forgiveness of the \$861,817 loan was granted on September 28, 2021.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Migrants Rights and Justice	\$ 1,713,666	\$ 962,326
Global Campaign	-	47,725
Sexual & Reproductive Health	349,400	1,679,305
IAWG	982,079	1,422,070
Gender-Based Violence	2,629	289,302
Social Inclusion	48,323	1,494,804
Economic Empowerment & Self-Reliance	-	69,072
Time Restricted	<u>225,000</u>	<u>172,375</u>
	<u>\$ 3,321,097</u>	<u>\$ 6,136,979</u>

Net assets were released from donor restrictions during the years ended September 30, 2021 and 2020 by incurring expenses satisfying the restricted purpose or occurrence specified by the donors and amounted to \$6,072,335 and \$7,175,517, respectively.

NOTE 8 – 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 as of September 30, 2021 and 2020 by approximately \$6,888,000 and \$6,855,000, respectively.

B. Concentration of Revenues and Receivables

For the year ended September 30, 2021, five major donors contributed approximately 18% of the total support and revenues (excluding in-kind contributions), totaling \$1,525,000. At September 30, 2021, contributions receivable included receivables from four donors, totaling \$1,220,487 that represented approximately 70% of the total contributions and grants receivable.

For the year ended September 30, 2020, five major donors contributed approximately 26% of the total support and revenues (excluding in-kind contributions), totaling \$1,216,427. At September 30, 2020, contributions receivable included receivables from two donors, totaling \$2,018,432 that represented approximately 65% of the total contributions and grants receivable.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Organization Has Two Office Leases

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

On December 8, 2014, WRC signed a three-year and four month 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 fiscal years subsequent to September 30, 2021 are as follows:

2022	\$	416,384
2023		424,710
2024		433,204
2025		441,866
2026		372,480
	\$	<u>2,088,644</u>

Rent and other expenses incurred under these agreements for the years ended September 30, 2021 and 2020 amounted to approximately \$450,000 and \$510,000, respectively, and are included in facilities expense in the accompanying statements of functional expenses.

NOTE 10 – 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 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 the basic employee contribution up to the next 3% of compensation.

WRC contributed \$140,110 and \$158,786 to the Plan for the years ended September 30, 2021 and 2020, respectively.

NOTE 11 – 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, 2021 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 the Lender's demand.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

NOTE 12 – RISK AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. The Organization could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Organization’s business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, the Organization cannot predict the extent to which its financial condition and results of operations will be affected.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the statement of financial position date through February 11, 2022, the date the financial statements were available to be issued.

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M A R K S P A N E T H
ACCOUNTANTS & ADVISORS

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, 2021 and 2020 and have issued our report thereon dated February 11, 2022, which expressed an unmodified opinion on those financial statements, appears on page 1. 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, 2021 relating to The International Planned Parenthood Federation and The Swiss Federal Department of Foreign Affairs are presented for purposes of additional analysis and are 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

February 11, 2022
Purchase, NY

**WOMEN'S REFUGEE COMMISSION, INC.
SCHEDULE OF EXPENSES RELATING TO THE
INTERNATIONAL PLANNED PARENTHOOD FEDERATION
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Total Budget</u>	<u>Previous Periods' Expenses</u>	<u>Current Year Expenses</u>	<u>Grant-to-Date Expenses</u>	<u>Variance (Over) Under</u>
Categories					
Personnel	\$ 655,450	\$ 321,993	\$ 316,715	\$ 638,708	\$ 16,742
Consultant	114,717	27,490	59,323	86,813	27,904
Travel	3,504	-	-	-	3,504
Other Direct Costs	147,558	65,138	75,513	140,651	6,907
Total Direct Cost	<u>921,229</u>	<u>414,621</u>	<u>451,551</u>	<u>866,172</u>	<u>55,057</u>
Indirect Cost	<u>156,223</u>	<u>75,876</u>	<u>68,287</u>	<u>144,163</u>	<u>12,060</u>
Total Expenditures	<u>\$ 1,077,452</u>	<u>\$ 490,497</u>	<u>\$ 519,838</u>	<u>\$ 1,010,335</u>	<u>\$ 67,117</u>

See independent auditors' report on supplementary information.

WOMEN'S REFUGEE COMMISSION, INC.
SCHEDULE OF EXPENSES RELATING TO THE
SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS
CONTRACT NO. 81065885
YEAR ENDED SEPTEMBER 30, 2021

	<u>Total Budget</u>	<u>Current Year Expenses</u>	<u>Grant-to-Date Expenses</u>	<u>Variance (Over) Under</u>
Categories				
Personnel	\$ 29,030	\$ 19,411	\$ 19,411	\$ 9,619
Fringe	8,419	5,629	5,629	2,790
Professional Services	160,154	31,477	31,477	128,677
Travel	22,233	-	-	22,233
Communications	7,215	-	-	7,215
Audit	4,680	-	-	4,680
Other Direct Costs	6,314	2,975	2,975	3,339
Total Direct Cost	<u>238,045</u>	<u>59,492</u>	<u>59,492</u>	<u>178,553</u>
Indirect Cost	<u>29,414</u>	<u>7,351</u>	<u>7,351</u>	<u>22,063</u>
Total Expenditures	<u>\$ 267,459</u>	<u>\$ 66,843</u>	<u>\$ 66,843</u>	<u>\$ 200,616</u>

See independent auditors' report on supplementary information.

WOMEN'S REFUGEE COMMISSION, INC.
SCHEDULE OF EXPENSES RELATING TO THE
SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS
CONTRACT NO. 81067182
YEAR ENDED SEPTEMBER 30, 2021

	<u>Total Budget</u>	<u>Current Year Expenses</u>	<u>Grant-to-Date Expenses</u>	<u>Variance (Over) Under</u>
Categories				
Personnel	\$ 47,970	\$ 20,777	\$ 20,777	\$ 27,193
Contractual	62,981	-	-	62,981
Professional Services	-	-	-	-
Travel	9,827	-	-	9,827
Audit	12,000	-	-	12,000
Other Direct Costs	10,380	2,646	2,646	7,734
Total Direct Cost	<u>143,158</u>	<u>23,423</u>	<u>23,423</u>	<u>119,735</u>
Indirect Cost	<u>14,316</u>	<u>2,342</u>	<u>2,342</u>	<u>11,974</u>
Total Expenditures	<u>\$ 157,474</u>	<u>\$ 25,765</u>	<u>\$ 25,765</u>	<u>\$ 131,709</u>

See independent auditors' report on supplementary information.

**WOMEN'S REFUGEE COMMISSION, INC.
SCHEDULE OF EXPENSES RELATING TO THE
SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS
CONTRACT NO. 81069823
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Total Budget</u>	<u>Current Year Expenses</u>	<u>Grant-to-Date Expenses</u>	<u>Variance (Over) Under</u>
Categories				
Personnel	\$ 68,053	\$ 2,995	\$ 2,995	\$ 65,058
Contractual	26,750	-	-	26,750
Other Direct Costs	13,893	837	837	13,056
Total Direct Cost	<u>108,696</u>	<u>3,832</u>	<u>3,832</u>	<u>104,864</u>
Indirect Cost	<u>16,304</u>	<u>575</u>	<u>575</u>	<u>15,729</u>
Total Expenditures	<u>\$ 125,000</u>	<u>\$ 4,407</u>	<u>\$ 4,407</u>	<u>\$ 120,593</u>

See independent auditors' report on supplementary information.