



**WOMEN'S
REFUGEE
COMMISSION**

Women's Refugee Commission, Inc.

Financial Statements
(Together with Independent Auditors' Report)

Years Ended September 30, 2017 and 2016
And

Single Audit Reports and
Schedule of Expenditures of Federal Awards

Year Ended September 30, 2017

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

WOMEN'S REFUGEE COMMISSION, INC.
FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)
YEARS ENDED SEPTEMBER 30, 2017 and 2016

CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets.....	4
Statements of Functional Expenses.....	5-6
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8-14
Schedule of Expenses Relating to the Swiss Confederation	15
OMB Uniform Guidance:	
Schedule of Expenditures of Federal Awards.....	16
Notes to Schedule of Expenditures of Federal Awards.....	17
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	18-19
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by Uniform Guidance.....	20-21
Schedule of Findings and Questioned Costs.....	22
Summary Schedule of Prior Audit Findings	23

Marks Paneth LLP
4 Manhattanville Rd,
4th Floor, Suite 402
Purchase, NY 10577
P 914.524.9000
F 914.524.9185
markspaneth.com

New York
New Jersey
Pennsylvania
Washington, DC

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

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, 2017 and 2016, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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, 2017 and 2016 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards (shown on page 16) for the year ended September 30, 2017, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, U.S. *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the Schedule of expenses relating to the Swiss Confederation on page 15, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2018, on our consideration of WRC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WRC's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Mark Stenehjem" followed by a stylized flourish.

Purchase, NY
March 5, 2018

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

	September 30,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 1,598,940	\$ 2,199,199
Contributions and grants receivable, net	3,496,038	2,812,289
Sub-contractor receivable	192,459	62,632
Prepaid expenses and other assets	129,979	124,352
Fixed assets, net	232,690	268,822
Security deposit	132,781	132,933
TOTAL ASSETS	\$ 5,782,887	\$ 5,600,227
LIABILITIES		
Accounts payable and accrued expenses	\$ 257,239	\$ 304,569
Deferred rent	156,495	134,947
TOTAL LIABILITIES	413,734	439,516
NET ASSETS		
Unrestricted	1,509,481	2,041,047
Temporarily restricted	3,859,672	3,119,664
TOTAL NET ASSETS	5,369,153	5,160,711
TOTAL LIABILITIES AND NET ASSETS	\$ 5,782,887	\$ 5,600,227

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, 2017			Year Ended September 30, 2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Corporation and Foundation contributions	\$ 54,200	\$ 2,687,214	\$ 2,741,414	\$ 4,458	\$ 2,793,646	\$ 2,798,104
Government grants	1,614,448	1,280,038	2,894,486	2,718,198	332,923	3,051,121
United Nations	-	353,880	353,880	-	464,426	464,426
Other contributions	-	-	-	975	-	975
Individual contributions	491,544	-	491,544	749,979	-	749,979
Special events income	801,017	-	801,017	683,766	-	683,766
In-Kind contributions	156,598	-	156,598	186,939	-	186,939
Membership dues	37,285	-	37,285	39,150	-	39,150
Net assets released from restrictions	3,581,124	(3,581,124)	-	3,954,625	(3,954,625)	-
TOTAL SUPPORT AND REVENUE	<u>6,736,216</u>	<u>740,008</u>	<u>7,476,224</u>	<u>8,338,090</u>	<u>(363,630)</u>	<u>7,974,460</u>
EXPENSES:						
Program services	5,429,331	-	5,429,331	6,889,363	-	6,889,363
Fundraising	882,979	-	882,979	861,176	-	861,176
Management and general	955,472	-	955,472	871,929	-	871,929
TOTAL EXPENSES	<u>7,267,782</u>	<u>-</u>	<u>7,267,782</u>	<u>8,622,468</u>	<u>-</u>	<u>8,622,468</u>
CHANGES IN NET ASSETS	(531,566)	740,008	208,442	(284,378)	(363,630)	(648,008)
Net assets - beginning of year	<u>2,041,047</u>	<u>3,119,664</u>	<u>5,160,711</u>	<u>2,325,425</u>	<u>3,483,294</u>	<u>5,808,719</u>
NET ASSETS - END OF YEAR	<u>\$ 1,509,481</u>	<u>\$ 3,859,672</u>	<u>\$ 5,369,153</u>	<u>\$ 2,041,047</u>	<u>\$ 3,119,664</u>	<u>\$ 5,160,711</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, 2017
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2016)

For the Year Ended September 30, 2017					
Supporting Services					
	2017			2016	
	Program Services	Fundraising	Management and General	Total Expenses	Total Expenses
Salaries and wages	\$ 2,801,510	\$ 379,605	\$ 292,619	\$ 3,473,734	\$ 3,395,212
Payroll taxes and employee benefits	691,516	96,698	100,565	888,779	836,101
Total salaries and related costs	3,493,026	476,303	393,184	4,362,513	4,231,313
Professional fees	634,811	54,692	90,551	780,054	1,283,904
Advertising and promotion	1,808	804	14,302	16,914	6,650
Sub-grants	283,286	-	-	283,286	1,063,626
Charitable contributions	3,500	-	-	3,500	4,000
Dues and subscriptions	8,399	42,751	36,563	87,713	28,283
Special events	-	214,671	-	214,671	233,260
Meetings and conferences	114,358	377	10,030	124,765	230,795
Equipment rental	66,506	9,909	17,788	94,203	116,017
Facilities	352,278	53,193	118,860	524,331	553,916
Insurance	-	-	37,591	37,591	45,329
Office supplies	12,579	3,977	12,413	28,969	30,362
Printing and publications	78,506	10,218	3,400	92,124	60,783
Telecommunication	29,867	3,974	7,210	41,051	25,841
Travel expenses	318,225	3,960	25,021	347,206	474,027
Payroll processing and bank fees	467	2,578	16,803	19,848	17,686
Depreciation	25,864	5,195	14,380	45,439	13,556
Miscellaneous expense	5,851	377	778	7,006	16,181
Subtotal (excluding in-kind expenses)	5,429,331	882,979	798,874	7,111,184	8,435,529
Add: in-kind expenses					
Legal fees			154,598	154,598	186,939
Other	-	-	2,000	2,000	-
Subtotal in-kind expenses	-	-	156,598	156,598	186,939
TOTAL EXPENSES	\$ 5,429,331	\$ 882,979	\$ 955,472	\$ 7,267,782	\$ 8,622,468

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, 2016**

	<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total Expenses</u>
Salaries and wages	\$ 2,908,788	\$ 393,655	\$ 92,769	\$ 3,395,212
Payroll taxes and employee benefits	716,315	96,941	22,845	836,101
Total salaries and related costs	<u>3,625,103</u>	<u>490,596</u>	<u>115,614</u>	<u>4,231,313</u>
Professional fees	991,793	17,592	274,519	1,283,904
Advertising and promotion	899	1,373	4,378	6,650
Sub-grants	1,063,599	27	-	1,063,626
Charitable contributions	4,000	-	-	4,000
Dues and subscriptions	5,626	9,861	12,796	28,283
Special events	-	233,260	-	233,260
Meetings and conferences	219,079	144	11,572	230,795
Equipment rental	74,658	39,957	1,402	116,017
Facilities	323,763	50,216	179,937	553,916
Insurance	-	-	45,329	45,329
Office supplies	11,989	8,617	9,756	30,362
Printing and publications	49,491	44	11,248	60,783
Telecommunication	18,441	1,157	6,243	25,841
Travel expenses	419,555	5,090	49,382	474,027
Payroll processing and bank fees	433	1,737	15,516	17,686
Depreciation	9,097	1,505	2,954	13,556
Miscellaneous expense	11,842	-	4,339	16,181
Subtotal (excluding in-kind expenses)	<u>6,829,368</u>	<u>861,176</u>	<u>744,985</u>	<u>8,435,529</u>
Add: in-kind expenses				
Legal fees	<u>59,995</u>	<u>-</u>	<u>126,944</u>	<u>186,939</u>
Subtotal in-kind expenses	<u>59,995</u>	<u>-</u>	<u>126,944</u>	<u>186,939</u>
TOTAL EXPENSES	<u>\$ 6,889,363</u>	<u>\$ 861,176</u>	<u>\$ 871,929</u>	<u>\$ 8,622,468</u>

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

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

	Years Ended September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 208,442	\$ (648,008)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	45,439	13,556
Amortization of discount on contributions receivable	(917)	(542)
Changes in operating assets and liabilities:		
Contributions and grants receivable	(682,832)	412,708
Sub-contractor receivable	(129,827)	69,883
Prepaid expenses and other assets	(5,627)	(22,897)
Security deposit	152	(132,933)
Accounts payable and accrued expenses	(47,330)	(118,002)
Deferred rent	21,548	134,947
Deferred income	-	(58,811)
Net Cash Used in Operating Activities	(590,952)	(350,099)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(9,307)	(282,378)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(600,259)	(632,477)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,199,199	2,831,676
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,598,940	\$ 2,199,199

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

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2017 AND 2016

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
YEARS ENDED SEPTEMBER 30, 2017 AND 2016

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
YEARS ENDED SEPTEMBER 30, 2017 AND 2016

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*** - 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 statements of activities and changes in net assets 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, 2017 and 2016.
- 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 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.
- 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, 2017 and 2016, respectively.
- 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 consisting of legal fees amounted to \$154,598 and other \$2,000 and \$186,939 for the years ended September 30, 2017 and 2016, respectively.

**WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2017 AND 2016**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- G. Fixed Assets** – fixed assets are stated at cost. WRC capitalizes fixed assets with a costs 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. Certain costs have been allocated among the program and supporting services.
- 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 Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 3 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of September 30,

	<u>2017</u>	<u>2016</u>
Due within one year	\$ 712,556	\$ 1,518,523
Due within one to five years	<u>2,790,203</u>	<u>1,299,570</u>
Total contributions and grants receivable	3,502,759	2,818,093
Less: present value discount	<u>(6,721)</u>	<u>(5,804)</u>
	<u>\$ 3,496,038</u>	<u>\$ 2,812,289</u>

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2017 AND 2016

NOTE 4 – 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,

	<u>2017</u>	<u>2016</u>
Office Equipment	\$ 43,225	\$ 33,918
Furniture and Fixtures	177,269	177,269
Leasehold Improvements	<u>71,191</u>	<u>71,191</u>
	291,685	282,378
Less accumulated depreciation	<u>(58,995)</u>	<u>(13,556)</u>
	<u>\$ 232,690</u>	<u>\$ 268,822</u>

Depreciation and amortization expense amounted to \$45,439 and \$13,556 for years ended September 30, 2017 and 2016.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2017</u>	<u>2016</u>
Children and Adolescent	\$ 44,070	\$ 261,748
Migrants Rights and Justice	848,167	622,019
Livelihoods	340,776	372,447
Disabilities	1,034,942	446,951
Reproductive Health	1,412,741	1,388,351
Advocacy	<u>178,976</u>	<u>28,148</u>
	<u>\$ 3,859,672</u>	<u>\$ 3,119,664</u>

Temporarily restricted net assets of \$3,859,672 and \$3,119,664 were available for program services at September 30, 2017 and 2016, respectively. Net assets were released from donor restrictions during the years ended September 30, 2017 and 2016 by incurring expenses satisfying the restricted purpose or occurrence specified by the donors and amounted to \$3,581,124 and \$3,954,625, respectively.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2017 AND 2016

NOTE 6 – 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, 2017 and 2016 by approximately \$1,418,000 and \$1,992,000, respectively.

B. *Concentration of Revenues and Receivables*

For the year ended September 30, 2017, five major donors contributed approximately 30% of the total support and revenues (excluding in-kind contributions.) At September 30, 2017 contributions receivable included receivables from three donors, totaling \$1,458,138 that represented 40% of the total contributions receivable.

For the year ended September 30, 2016, five major donors contributed approximately 32% of the total support and revenues (excluding in-kind contributions.) At September 30, 2016 contributions receivable included receivables from one donors, totaling \$1,094,500 that represented 39% of the total contributions receivable.

NOTE 7 – 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.

Future minimum payments under these lease agreements for years subsequent to September 30, 2016 are as follows:

	Amount
2018	\$ 427,430
2019	392,365
2020	400,208
2021	408,214
2022	416,384
Thereafter	1,672,260
	<u>\$ 3,716,861</u>

Rent and other expenses incurred under these agreements for the years ended September 30, 2017 and 2016 amounted to approximately \$524,000 and \$554,000, respectively and are included in facilities expense in the accompanying statements of functional expenses.

WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2017 AND 2016

NOTE 8 – 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 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. Starting October 1, 2017, WRC will cease the base contribution.

WRC contributed \$279,783 and \$270,682 to the Plan for the years ended September 30, 2017 and 2016, respectively.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the statement of financial position date through March 5, 2018, the date the financial statements were available to be issued.

WOMEN'S REFUGEE COMMISSION, INC.
SCHEDULE OF EXPENSES RELATING TO THE SWISS CONFEDERATION
SWISS FEDERAL DEPARTMENT OF FOREIGN AFFAIRS
CONTRACT NO. 81051068
September 30, 2017

	<u>Total Adjusted Budget</u>	<u>Expenses</u>	<u>Variance (Over)Under</u>
Categories			
Personnel & Fringe	\$ 60,910	\$ 2,407	\$ 58,503
Travel	34,500	1,074	33,426
Consultant/Audit Fees	125,000	-	125,000
Other Direct Costs	6,863	244	6,619
Total Direct Cost	<u>227,273</u>	<u>3,725</u>	<u>223,548</u>
Indirect Cost 10 %	<u>22,727</u>	<u>373</u>	<u>22,354</u>
Total Expenditures	<u><u>\$ 250,000</u></u>	<u><u>\$ 4,098</u></u>	<u><u>\$ 245,902</u></u>

See independent auditors' report on supplementary information.

WOMEN'S REFUGEE COMMISSION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Program Identifying Number</u>	<u>Federal Expenditures</u>	<u>Amounts Provided to Subrecipients</u>
<u>U.S. Department of State</u>				
Bureau of Population Refugees and Migration				
Overseas Refugee Assistance Program for Strategic Global Priorities	19.522	S-PRMCO-15-CA-1277	\$ 99,462	\$ -
		S-PRMCO-16-CA-1281	364,972	-
		S-PRMCO-16-CA-1285	321,525	140,999
		S-PRMCO-16-CA-1292	270,804	-
			<u>1,056,763</u>	<u>140,999</u>
Total U.S. Department of the Treasury				
 <u>U.S. Agency For International Development</u>				
USAID Foreign Assistance for Programs Overseas	98.001	AID-OFDA-G-16-00211	135,400	-
		AID-OFDA-G-16-00254	172,285	83,509
		AID-OFDA-G-16-00127	150,000	-
			<u>457,685</u>	<u>83,509</u>
Total U.S. Agency for International Development				
 <u>U.S. Department of Health and Human Services</u>				
Complex Humanitarian Emergency and War-Related Injury Public Health Activities	93.269	1U2GGH001823-01	100,000	29,607
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,614,448</u>	<u>\$ 254,115</u>

**WOMEN'S REFUGEE COMMISSION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal awards activity of Women's Refugee Commission, Inc. ("WRC") for the year ended September 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of WRC, it is not intended to and does not present the financial position, changes in net assets, or cash flows.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATES

WRC has negotiated indirect cost rate agreement (NICRA) with provisional rate for 2017 and 2018.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Women's Refugee Commission, Inc. ("WRC") which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 5, 2018.

Internal Control Over Financial Reporting

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

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


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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WRC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Mark P. Smith". The signature is written in a cursive style with a large, stylized initial "M".

Purchase, NY
March 5, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited Women's Refugee Commission, Inc.'s ("WRC") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Compliance Supplement* that could have a direct and material effect on WRC's major federal program for the year ended September 30, 2017. WRC's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for WRC's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("GAS"), and the audit requirements of Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*. Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about WRC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of WRC's compliance.

Opinion on Each Major Federal Program

In our opinion, WRC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2017.

Report on Internal Control Over Compliance

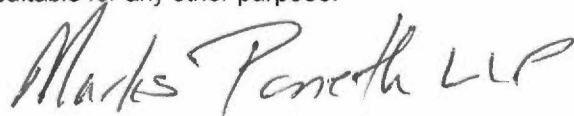
Management of WRC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WRC's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WRC's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Purchase, NY
March 5, 2018

**WOMEN'S REFUGEE COMMISSION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2017**

Section I—Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

Federal Awards

Internal control over major programs:			
Material weaknesses identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> None reported	
Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>		
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	<u> </u> Yes	<u> X </u> No	
Identification of major program:			
• Overseas Refugee Assistance Program for Strategic Global Priorities CFDA # 19.522			
Dollar threshold used to distinguish between Type A and Type B programs	<u> \$750,000 </u>		
Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No	

Section II—Financial Statement Findings

No matters were reported.

Section III—Federal Award Findings and Questioned Costs

No matters were reported.

**WOMEN'S REFUGEE COMMISSION, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2017**

Prior Year Findings:

No matters were reported.