

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

***CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT***

SEPTEMBER 30, 2018 AND 2017

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
<i>Consolidated Statements of Financial Position,</i> September 30, 2018 and 2017	2
<i>Consolidated Statements of Activities and Changes in Net Assets,</i> Years ended September 30, 2018 and 2017	3
<i>Consolidated Statements of Cash Flows,</i> Years ended September 30, 2018 and 2017	4
<i>Notes to Consolidated Financial Statements</i>	5
SUPPLEMENTAL FINANCIAL INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL FINANCIAL INFORMATION	14
<i>Consolidated Schedule of Unrestricted Revenues and Functional Expenses,</i> Year ended September 30, 2018, with summarized financial information for 2017	15

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
International Center for Research on Women
Washington, D.C.**

We have audited the accompanying consolidated financial statements of International Center for Research on Women ("ICRW") (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2018 and 2017, and the related consolidated statements of activities 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to ICRW's preparation and fair presentation of the consolidated 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 ICRW'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of ICRW as of September 30, 2018 and 2017, 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.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
March 5, 2019**

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2018 And 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,305,121	\$ 750,998
Investments <i>(Note 2)</i>	5,338,861	6,158,589
Investments – deferred compensation	100,000	50,000
Accounts receivable	27,867	4,739
Federal and non-federal contracts receivable	1,326,866	1,468,160
Contributions receivable, current portion <i>(Note 3)</i>	299,514	327,541
Advances	14,955	13,965
Prepaid expenses	<u>152,923</u>	<u>182,538</u>
Total current assets	<u>9,566,107</u>	<u>8,956,530</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET <i>(Note 4)</i>		
	1,128,853	1,271,769
OTHER ASSETS		
Security deposits	<u>115,928</u>	<u>112,388</u>
TOTAL ASSETS	<u>\$10,810,888</u>	<u>\$10,340,687</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	162,289	\$ 209,526
Accrued payroll and leave payable	414,883	527,522
Deferred revenue	<u>546,216</u>	<u>303,911</u>
Total current liabilities	<u>1,123,388</u>	<u>1,040,959</u>
LONG-TERM LIABILITIES		
Deferred rent and deferred lease incentive <i>(Note 9)</i>	<u>1,774,328</u>	<u>1,856,638</u>
Total long-term liabilities	<u>1,774,328</u>	<u>1,856,638</u>
Total liabilities	<u>2,897,716</u>	<u>2,897,597</u>
NET ASSETS <i>(Note 7)</i>		
Unrestricted	222,210	232,243
Board designated	<u>3,825,409</u>	<u>4,912,214</u>
Total unrestricted	4,047,619	5,144,457
Temporarily restricted	<u>3,865,553</u>	<u>2,298,633</u>
Total net assets	<u>7,913,172</u>	<u>7,443,090</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$10,810,888</u>	<u>\$10,340,687</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended September 30, 2018

	UNRESTRICTED			Temporarily Restricted	Total
	Operations	Board Designated	Total		
SUPPORT AND REVENUE					
Grants, contracts and contributions:					
U.S. Government	\$ 1,510,529	\$ -	\$ 1,510,529	\$ -	\$ 1,510,529
Foundation and other	3,872,414	-	3,872,414	5,743,951	9,616,365
Investment income	129,421	502,123	631,544	-	631,544
Contributed goods and services	-	-	-	-	-
Program service fees	275,017	-	275,017	-	275,017
Other revenue	72,399	-	72,399	-	72,399
Net assets released from donor restrictions	<u>4,177,031</u>	<u>-</u>	<u>4,177,031</u>	<u>(4,177,031)</u>	<u>-</u>
Total support and revenue	<u>10,036,811</u>	<u>502,123</u>	<u>10,538,934</u>	<u>1,566,920</u>	<u>12,105,854</u>
EXPENSES					
Program Services					
Research and Programs	4,264,882	-	4,264,882	-	4,264,882
Policy and Advocacy	550,534	-	550,534	-	550,534
Asia Regional Office	2,152,999	-	2,152,999	-	2,152,999
Africa Regional Office	480,855	-	480,855	-	480,855
General Activities	<u>246,771</u>	<u>944,441</u>	<u>1,191,212</u>	<u>-</u>	<u>1,191,212</u>
Total program services	<u>7,696,041</u>	<u>944,441</u>	<u>8,640,482</u>	<u>-</u>	<u>8,640,482</u>
Supporting Services					
General and Administrative	2,182,544	428,473	2,611,017	-	2,611,017
Fundraising	<u>156,940</u>	<u>-</u>	<u>156,940</u>	<u>-</u>	<u>156,940</u>
Total supporting services	<u>2,339,484</u>	<u>428,473</u>	<u>2,767,957</u>	<u>-</u>	<u>2,767,957</u>
Total expenses	<u>10,035,525</u>	<u>1,372,914</u>	<u>11,408,439</u>	<u>-</u>	<u>11,408,439</u>
Changes in net assets before other items	1,286	(870,791)	(869,505)	1,566,920	697,415
OTHER ITEMS					
Unrealized depreciation of investments	<u>(11,319)</u>	<u>(216,014)</u>	<u>(227,333)</u>	<u>-</u>	<u>(227,333)</u>
	<u>(11,319)</u>	<u>(216,014)</u>	<u>(227,333)</u>	<u>-</u>	<u>(227,333)</u>
Changes in net assets	(10,033)	(1,086,805)	(1,096,838)	1,566,920	470,082
NET ASSETS					
Beginning of year	<u>232,243</u>	<u>4,912,214</u>	<u>5,144,457</u>	<u>2,298,633</u>	<u>7,443,090</u>
End of year	<u>\$ 222,210</u>	<u>\$ 3,825,409</u>	<u>\$ 4,047,619</u>	<u>\$ 3,865,553</u>	<u>\$ 7,913,172</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended September 30, 2017

	UNRESTRICTED			Temporarily Restricted	Total
	Operations	Board Designated	Total		
SUPPORT AND REVENUE					
Grants, contracts and contributions:					
U.S. Government	\$ 2,060,099	\$ -	\$ 2,060,099	\$ -	\$ 2,060,099
Foundation and other	4,316,553	-	4,316,553	3,844,241	8,160,794
Investment income	104,846	359,227	464,073	-	464,073
Contributed goods and services	8,700	-	8,700	-	8,700
Program service fees	57,379	-	57,379	-	57,379
Other revenue	44,967	-	44,967	-	44,967
Net assets released from donor restrictions	<u>4,953,811</u>	<u>-</u>	<u>4,953,811</u>	<u>(4,953,811)</u>	<u>-</u>
Total support and revenue	<u>11,546,355</u>	<u>359,227</u>	<u>11,905,582</u>	<u>(1,109,570)</u>	<u>10,796,012</u>
EXPENSES					
Program Services					
Research and Programs	5,562,942	-	5,562,942	-	5,562,942
Policy and Advocacy	370,308	-	370,308	-	370,308
Asia Regional Office	2,240,297	-	2,240,297	-	2,240,297
Africa Regional Office	256,691	-	256,691	-	256,691
General Activities	<u>262,710</u>	<u>627,659</u>	<u>890,369</u>	<u>-</u>	<u>890,369</u>
Total program services	<u>8,692,948</u>	<u>627,659</u>	<u>9,320,607</u>	<u>-</u>	<u>9,320,607</u>
Supporting Services					
General and Administrative	2,594,460	279,751	2,874,211	-	2,874,211
Fundraising	<u>194,507</u>	<u>-</u>	<u>194,507</u>	<u>-</u>	<u>194,507</u>
Total supporting services	<u>2,788,967</u>	<u>279,751</u>	<u>3,068,718</u>	<u>-</u>	<u>3,068,718</u>
Total expenses	<u>11,481,915</u>	<u>907,410</u>	<u>12,389,325</u>	<u>-</u>	<u>12,389,325</u>
Changes in net assets before other items	64,440	(548,183)	(483,743)	(1,109,570)	(1,593,313)
OTHER ITEMS					
Unrealized appreciation of investments	88,858	(85,816)	3,042	-	3,042
Transfer of net assets from business acquisition	<u>-</u>	<u>1,863,945</u>	<u>1,863,945</u>	<u>-</u>	<u>1,863,945</u>
	<u>88,858</u>	<u>1,778,129</u>	<u>1,866,987</u>	<u>-</u>	<u>1,866,987</u>
Changes in net assets	153,298	1,229,946	1,383,244	(1,109,570)	273,674
NET ASSETS					
Beginning of year	<u>78,945</u>	<u>3,682,268</u>	<u>3,761,213</u>	<u>3,408,203</u>	<u>7,169,416</u>
End of year	<u>\$ 232,243</u>	<u>\$ 4,912,214</u>	<u>\$ 5,144,457</u>	<u>\$ 2,298,633</u>	<u>\$ 7,443,090</u>

See accompanying notes to financial statements.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Years Ended September 30, 2018 And 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 470,082	\$ 273,674
Adjustments to reconcile increase in net assets to net cash used for operating activities:		
Depreciation and amortization	142,916	185,796
Realized and unrealized gain on investment	(274,790)	(362,658)
Acquisition of Re-Gender, net of cash received	-	(1,788,373)
(Increase) decrease in:		
Accounts receivable	(23,128)	67,236
Contracts receivable	141,294	(216,613)
Contributions receivable	28,027	131,042
Advances	(990)	10,309
Prepaid expenses	29,615	(96,079)
Security deposits	(3,540)	(730)
Increase (decrease) in:		
Accounts payable	(47,237)	(88,959)
Accrued payroll and leave payable	(112,639)	(23,223)
Deferred revenue	242,305	(379,325)
Sublease deposit	-	(850)
Deferred rent and deferred lease incentive	<u>(82,310)</u>	<u>1,442,507</u>
Net cash provided by (used in) operating activities	<u>509,605</u>	<u>(846,246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture, equipment and leasehold improvements	-	(1,333,072)
Purchase of investments	(1,492,269)	(111,017)
Proceeds from sale of investments	<u>2,536,787</u>	<u>1,357,929</u>
Net cash provided by (used in) investing activities	<u>1,044,518</u>	<u>(86,160)</u>
Net increase (decrease) in cash and cash equivalents	1,554,123	(932,406)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>750,998</u>	<u>1,683,404</u>
End of year	<u>\$ 2,305,121</u>	<u>\$ 750,998</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 And 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

ORGANIZATION AND PURPOSE

The International Center for Research on Women ("**ICRW**") is a private, non-profit organization, dedicated to promoting social and economic development with women's full participation. ICRW works in collaboration with policymakers, practitioners and researchers throughout Africa, Asia and Latin America in formulating policy and actions concerning: the economic, social and health status of women in developing countries; women's critical contributions to development, given their dual productive and reproductive roles; and policy and program features that can improve the situation of poor women while making development interventions more effective.

Focusing on economic policies, family and household structure, health and nutrition, and agriculture and the environment, ICRW's programs consist of policy-oriented research, program support and analysis services, and communications forums.

ICRW has liaison offices in India, International Centre for Research on Women ("**ICRW-ARO India**") and Kenya, International Centre for Research on Women – East Africa Regional Office ("**ICRW – EARO Kenya**"), that carry on programmatic activities that supports the overall mission of ICRW. ICRW – ARO India is incorporated as a limited company under Section 25 of the Companies Act, 1956 and has been registered to receive foreign funds under the Foreign Contribution (Regulation) Act, 1976. ICRW – EARO Kenya is incorporated under Section 10 of the Non-Governmental Organizations Co-ordination Act. Both organizations have separate Board of Directors. ICRW has elected to consolidate ICRW – India and ICRW – Kenya as it has both control through agreements and economic interest in the organizations.

BASIS OF PRESENTATION

The accompanying financial statements are presented on the accrual basis of accounting and include the accounts of ICRW, ICRW – India and ICRW – EARO. Consequently, revenue is recognized when earned, contributions and pledges when received and expenses when the obligations are incurred. Significant intercompany transactions and balances have been eliminated in consolidation.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of monies deposited in various checking accounts and certificates of deposit with an original maturity of three months or less.

FOREIGN CURRENCY TRANSLATION

In addition to ICRW's U.S. office, ICRW maintains offices in Kenya and India. The U.S. Dollar is the functional currency for ICRW operations. Transactions in the currency other than U.S. Dollars are translated into U.S. Dollars at the rate of exchange in effect during the month of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into U.S. Dollars at the exchange rate in effect at the date of the Statements of Financial Position.

INVESTMENTS

ICRW records investments in securities at fair market value with the resulting gains and losses reported in the statement of activities. The fair market value of investments traded on a securities exchange is determined based on quoted prices for those investments.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2018 And 2017

ACCOUNTS, CONTRACTS AND CONTRIBUTIONS RECEIVABLE

Accounts, contracts and contributions receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements are recorded at cost. Depreciation and amortization is provided on a straight-line basis over the estimated useful lives of the assets or, where applicable, the terms of the leases, whichever is shorter. The cost of furniture and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation, and any gain or loss is reflected in income. Major additions are capitalized while replacement, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed. ICRW's capitalization threshold is \$1,500.

INCOME TAXES

ICRW was incorporated in 1976 under the laws of the District of Columbia and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization. ICRW is, however, subject to tax on the net profits generated by activities defined as unrelated business activities under applicable tax law. To date, ICRW has not engaged in such activities.

Management has reviewed the tax positions for each of the open tax years (years ended September 30, 2014 – 2016) or expected to be taken in ICRW's September 30, 2017 tax return and has concluded that there are not significant uncertain tax positions that would require recognition in the financial statements.

NET ASSET CLASSIFICATION

Net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ICRW and changes therein are classified and reported as follows

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of ICRW and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of ICRW and/or the passage of time. When a 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.

GRANTS, FEDERAL AND NON-FEDERAL CONTRACTS, AND CONTRIBUTIONS

Revenue received from cost-reimbursable contracts is recognized when expenses have been incurred. Contract awards received in exchange for services, but not expended for the purpose of the contract, are reflected as refundable advances in the accompanying Statements of Financial Position.

Contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2018 And 2017

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CONCENTRATION OF CREDIT RISK

ICRW occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“ASC”) 825, “*Financial Instruments*”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

Additionally, ICRW maintains field offices in India and Kenya. ICRW had approximately \$293,000 and \$47,000 of cash and cash equivalents held at financial institutions and on hand in foreign countries as of September 30, 2018 and 2017, respectively. The funds held in foreign countries are uninsured.

ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statement of Activities and Change in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of ICRW’s financial statements, it is not expected to alter ICRW’s reported financial position. ICRW will adopt the new ASU in its 2019 fiscal year.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), to improve the scope and the accounting guidance for contributions received and contributions made. The amendments will assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of the Topic, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional which effects the timing of revenue recognition. The ASU is effective for private entities for fiscal years beginning after December 15, 2018. The ASU should be applied on a modified prospective basis, in the first set of financial statements following the effective date the amendments should be applied to agreements that are either not completed as of the effective date or entered into after the effective date. ICRW plans to adopt the new ASU at the required implementation date.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2018 And 2017

In 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the statement of financial position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach. ICRW plans to adopt the new ASU at the required implementation date.

RECLASSIFICATIONS

Certain reclassifications were made to the 2017 financial statements to conform to the 2018 presentation.

(2) INVESTMENTS

Investments consisted of the following at September 30, 2018 and 2017:

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Money Market	\$ 754,448	\$ 754,448	\$ 714,797	\$ 714,797
CDs	76,120	74,023	76,120	75,871
Mutual Funds				
Equities	1,321,633	2,290,309	1,852,650	2,954,727
Fixed Income	<u>2,273,733</u>	<u>2,220,081</u>	<u>2,374,763</u>	<u>2,413,194</u>
Total Investments	<u>\$4,425,934</u>	<u>\$5,338,861</u>	<u>\$5,018,330</u>	<u>\$6,158,589</u>

ICRW utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritize inputs to valuation methods. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that ICRW has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing ICRW's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2018 And 2017

The summary of inputs used to value ICRW's investments as of September 30, 2018 and 2017 is as follows:

	<u>2018</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Asset Class:				
Money Market	\$ 754,448	\$ -	\$ -	\$ 754,448
Certificates of deposit	-	74,023	-	74,023
Mutual Funds:				
Equities	2,290,309	-	-	2,290,309
Fixed Income	<u>2,220,081</u>	<u>-</u>	<u>-</u>	<u>2,220,081</u>
Total	<u>\$5,264,838</u>	<u>\$ 74,023</u>	<u>\$ -</u>	<u>\$5,338,861</u>

	<u>2017</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Asset Class:				
Money Market	\$ 714,797	\$ -	\$ -	\$ 714,797
Certificates of deposit	-	75,871	-	75,871
Mutual Funds:				
Equities	2,954,727	-	-	2,954,727
Fixed Income	<u>2,413,194</u>	<u>-</u>	<u>-</u>	<u>2,413,194</u>
Total	<u>\$6,082,718</u>	<u>\$ 75,871</u>	<u>\$ -</u>	<u>\$6,158,589</u>

Included in investment income are the following:

	<u>2018</u>	<u>2017</u>
Interest income	\$ 129,421	\$104,457
Realized gain	<u>502,123</u>	<u>359,616</u>
Total investment income	<u>\$ 631,544</u>	<u>\$464,073</u>
Unrealized appreciation of investments	<u>\$(227,333)</u>	<u>\$ 3,042</u>

(3) CONTRIBUTIONS RECEIVABLE

All contributions receivable are considered to be collectible within one year unless otherwise stated by the donor.

Contributions receivable consisted of the following at September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Foundations and other organizations	\$ 299,514	\$ 327,541
Less: Current portion	<u>299,514</u>	<u>327,541</u>
Contributions receivable, long-term portion	<u>\$ -</u>	<u>\$ -</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2018 And 2017

(4) FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements are as follows at September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Furniture and equipment	\$ 575,645	\$ 575,645
Leasehold improvements	<u>1,967,837</u>	<u>1,967,837</u>
	2,543,482	2,543,482
Less: Accumulated depreciation and amortization	<u>(1,414,629)</u>	<u>(1,271,713)</u>
Furniture and equipment, net	<u>\$ 1,128,853</u>	<u>\$ 1,271,769</u>

(5) DEFERRED COMPENSATION

ICRW maintains a deferred compensation account for eligible employees. The investment in the deferred compensation account was \$100,000 and \$50,000 for the years ended September 30, 2018 and 2017, respectively. Contributions to the account were \$100,000 during the year ending September 30, 2018. No amounts were contributed during the year ended September 30, 2017.

(6) BANK LINE OF CREDIT

ICRW has available a \$300,000 revolving working capital line of credit as of September 30, 2018. Advances under this line accrue interest at the LIBOR Daily Floating Rate plus 3.50%. There were no outstanding balances on the line of credit as of September 30, 2018 and 2017. The line of credit expires on April 30, 2019.

(7) NET ASSETS

As of September 30, 2018 and 2017, net assets have been designated by the Board of Directors for the following purposes:

	<u>2018</u>	<u>2017</u>
Operating Reserve	<u>\$3,825,409</u>	<u>\$4,912,214</u>

Temporarily restricted net assets as of September 30, 2018 and 2017 relates to non-Federal grants. The net assets will be released when expenses are incurred that satisfy the restricted purposes. Temporarily restricted net assets consist of the following at September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Research and Programs	\$ 367,005	\$ 382,371
Africa Regional Office	177,873	-
Asia Regional Office	2,918,550	885,007
Research and Innovation	136,212	484,883
General Activities	<u>265,913</u>	<u>546,372</u>
	<u>\$3,865,553</u>	<u>\$2,298,633</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2018 And 2017

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

	<u>2018</u>	<u>2017</u>
Research and Programs	\$ 361,589	\$1,883,503
Africa Regional Office	334,743	-
Asia Regional Office	2,032,635	1,908,407
Research and Innovation	799,627	1,038,906
General Activities	<u>648,437</u>	<u>122,995</u>
	<u>\$4,177,031</u>	<u>\$4,953,811</u>

The net assets released include both direct and indirect expenses for the restricted purposes.

(8) CONTRIBUTED GOODS AND SERVICES

Contributed goods and services are recorded at their fair market value as of the date of the gift. During the years ended September 30, 2018 and 2017, ICRW was the beneficiary of donated goods and services, which allowed ICRW to provide greater resources toward various programs.

The following contributed goods and services have been included in revenue and expenses for the years ended September 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
Professional fees	<u>\$ -</u>	<u>\$ 8,700</u>
Total contributed goods and services	<u>\$ -</u>	<u>\$ 8,700</u>

(9) LEASE AND OTHER COMMITMENTS AND CONTINGENCIES

On April 1, 2016, ICRW renewed and extended the lease terms of a portion of its original office space lease in Washington D.C. through September 30, 2027 (the “expiration date”). Additional options are available to renew the lease or terminate the lease prior to its expiration date. In connection with the lease extension, ICRW was granted a ten-month rent holiday and an allowance for certain renovation costs which amounted to approximately \$1,200,000. The rent holiday and reimbursement for renovation costs have been capitalized and are being amortized over the expected life of the lease. ICRW is also responsible for its portion of certain operating expenses.

ICRW also rents office space in Mumbai and Delhi, India. These leases are on a month-to-month or annual basis.

The following is a schedule of future minimum rental payments required under these non-cancelable operating leases for the Washington, D.C. office as of September 30, 2018:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 816,909
2020	837,308
2021	863,626
2022	890,584
2023	912,823
Thereafter	<u>3,885,197</u>
	<u>\$8,206,447</u>

Rent expense was \$1,022,775 and \$1,003,659, for the years ended September 30, 2018 and 2017, respectively.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2018 And 2017

OTHER COMMITMENTS

At September 30, 2018 ICRW had obligated funds through various sub-agreements for research and program support with third-party organizations in the amount of \$487,776, payable in installments according to the terms of the various sub-agreements. The liability for these obligations will be recorded when the expenses have been incurred by the sub-grantees.

CONTINGENCY

Under the terms of the U.S. Government grants, which are made based upon the acceptance by the U.S. Government of the program proposals submitted by ICRW, amounts are stipulated for both direct program costs and administrative overhead costs. The administrative overhead rate used by ICRW, while provisionally approved, is subject to review and final approval by the U.S. Government. The administrative overhead rate has been approved through September 30, 2015. Management believes that any adjustment to the 2016, 2017 and 2018 administrative overhead rates, if any, will not have a material effect on the financial position or operating results of ICRW.

(10) PENSION PLAN

ICRW maintains a Section 403(b) tax-deferred annuity plan for its employees. The plan provides employer contributions at the rate of seven percent of eligible compensation after employees complete one year of service. The pension contributions for the years ended September 30, 2018 and 2017 were \$294,193 and \$317,613, respectively.

(11) BUSINESS COMBINATION

During 2017, a business combination plan (the “Plan”) between ICRW and Re:Gender was approved by the Attorney General of the state of New York. The Plan was made as a result of the discontinuation of Re:Gender’s core support grants from one contributor and its desire to transfer its assets to a “like-minded” organization. Re:Gender and ICRW have complementary missions with the primary difference being the location in which their research is performed. As a result of the Plan, ICRW is continuing Re:Gender’s mission by building domestic issues and research into their global research agenda.

Under the terms of the Plan, ICRW’s existing by-laws remained intact and governance of the combined entity is largely be made up of existing ICRW board members. Net assets of approximately \$1,860,000 consisting of cash and investments were transferred to ICRW upon approval of the Plan.

(12) SUBSEQUENT EVENTS

In preparing these consolidated financial statements, ICRW has evaluated events and transactions for potential recognition or disclosure through March 5, 2019, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL FINANCIAL INFORMATION**

**Tot the Board of Directors of
International Center for Research on Women
Washington, D.C.**

We have audited the consolidated financial statements of International Center for Research on Women as of and for the year ended September 30, 2018 and have issued our report thereon date March 5, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidated schedule of unrestricted revenues and functional expenses is presented for the purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
March 5, 2019**

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

CONSOLIDATED SCHEDULE OF UNRESTRICTED REVENUES AND FUNCTIONAL EXPENSES

For The Year Ended September 30, 2018 With Summarized Financial Information For 2017

	2018				
	PROGRAM SERVICES				
	Research and Programs	Policy and Advocacy Group	Asia Regional Office	Africa Regional Office	General Activities
SUPPORT AND REVENUE					
Grants, contracts and contributions	\$5,380,103	\$ 734,293	\$2,750,188	\$ 415,716	\$ 25,000
Investment income	-	-	-	-	626,032
Contributed goods and services	-	-	-	-	-
Program service fees	275,017	-	-	-	-
Other revenue	-	-	-	-	181
Total unrestricted support and revenue	<u>5,655,120</u>	<u>734,293</u>	<u>2,750,188</u>	<u>415,716</u>	<u>651,213</u>
EXPENSES					
Salaries – Regular	1,589,461	242,524	36,555	30,616	460,664
Salaries – Secounded	4,548	-	109,736	4,094	34,135
Salaries – Field offices	6,247	-	410,062	26,866	15,975
Benefits	723,591	110,842	216,974	16,722	226,861
Printing and duplicating	21,208	4,938	13,058	656	179
Occupancy	-	480	398	4,125	9,807
Accounting/Audit	-	-	-	-	4,700
Insurance	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-
Telecommunications	3,023	179	14,710	2,040	1,969
Donated services	-	-	-	-	-
Postage and delivery	778	225	2,129	82	520
Office supplies	257	107	4,977	281	286
Subscriptions and publications	985	-	36	-	75
Other direct costs	5,929	501	(1,259)	1,050	35,538
Bank fees	668	-	52	166	220
Equipment	2,726	221	2,986	24	7,662
Contract services	201,202	18,563	376,648	113,801	63,440
Meetings and conferences	38,797	5,328	43,036	4,674	5,949
Recruitment	399	-	121	-	-
Program support	181,759	45,208	180,738	185,026	95,783
Contributions	-	-	-	-	60
Sub-agreements	378,525	-	421,740	56,644	-
Facilities	544,927	82,989	209,258	10,476	151,019
Honoraria	1,600	-	-	300	-
Transportation and travel	222,020	38,429	101,144	22,076	58,360
Fee recovery	336,199	-	9,900	1,136	-
Representation	33	-	-	-	613
Miscellaneous	-	-	-	-	17,397
Total expenses before general and administrative allocation	4,264,882	550,534	2,152,999	480,855	1,191,212
General and administrative allocation	<u>1,432,208</u>	<u>185,849</u>	<u>606,584</u>	<u>(65,139)</u>	<u>393,760</u>
Total expenses	<u>5,697,090</u>	<u>736,383</u>	<u>2,759,583</u>	<u>415,716</u>	<u>1,584,972</u>
Excess (deficiency) of support and revenue with respect to expenses	<u>\$ (41,970)</u>	<u>\$ (2,090)</u>	<u>\$ (9,395)</u>	<u>\$ -</u>	<u>\$ (933,759)</u>
OTHER ITEMS					
Unrealized appreciation of investments					
Transfer of net assets from business acquisition					
Changes in net assets					

SUPPORTING SERVICES					2017
Total Program Services	Fundraising	General and Administrative	Total Supporting Services	Total	Total
\$ 9,305,300	\$254,674	\$ -	\$ 254,674	\$ 9,559,974	\$ 11,330,463
626,032	-	5,512	5,512	631,544	464,073
-	-	-	-	-	8,700
275,017	-	-	-	275,017	57,379
181	-	72,218	72,218	72,399	44,967
<u>10,206,530</u>	<u>254,674</u>	<u>77,730</u>	<u>332,404</u>	<u>10,538,934</u>	<u>11,905,582</u>
2,359,820	51,012	1,497,810	1,548,822	3,908,642	4,464,136
152,513	-	40,298	40,298	192,811	263,354
459,150	-	179,172	179,172	638,322	578,568
1,294,990	38,779	752,769	791,548	2,086,538	2,040,152
40,039	125	18,785	18,910	58,949	75,940
14,810	-	1,007,964	1,007,964	1,022,774	1,003,658
4,700	-	57,373	57,373	62,073	39,340
-	-	24,450	24,450	24,450	25,476
-	-	142,915	142,915	142,915	185,797
21,921	20	38,837	38,857	60,778	88,307
-	-	-	-	-	8,700
3,734	237	3,187	3,424	7,158	6,530
5,908	45	9,800	9,845	15,753	22,447
1,096	2,155	26,536	28,691	29,787	29,958
41,759	11,382	22,554	33,936	75,695	95,829
1,106	2,257	9,211	11,468	12,574	16,265
13,619	1,788	158,926	160,714	174,333	206,992
773,654	18,378	235,317	253,695	1,027,349	1,443,828
97,784	(2,219)	30,304	28,085	125,869	174,108
520	-	1,658	1,658	2,178	4,356
688,514	12,887	(701,401)	(688,514)	-	-
60	-	50	50	110	360
856,909	-	-	-	856,909	841,657
998,669	17,456	(1,016,125)	(998,669)	-	-
1,900	-	5,800	5,800	7,700	7,000
442,029	2,638	64,827	67,465	509,494	641,886
347,235	-	-	-	347,235	99,773
646	-	-	-	646	-
<u>17,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,397</u>	<u>24,908</u>
8,640,482	156,940	2,611,017	2,767,957	11,408,439	12,389,325
<u>2,553,262</u>	<u>52,980</u>	<u>(2,606,242)</u>	<u>(2,553,262)</u>	<u>-</u>	<u>-</u>
<u>11,193,744</u>	<u>209,920</u>	<u>4,775</u>	<u>214,695</u>	<u>11,408,439</u>	<u>12,389,325</u>
<u>\$ (987,214)</u>	<u>\$ 44,754</u>	<u>\$ 72,955</u>	<u>\$ 117,709</u>	(869,505)	(483,743)
				(227,333)	3,042
				-	<u>1,863,945</u>
				<u>\$ (1,096,838)</u>	<u>\$ 1,383,244</u>