

**INTERNATIONAL CENTER FOR RESEARCH ON WOMEN**

*CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT*

**SEPTEMBER 30, 2020 AND 2019**

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

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## 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, 2020 and 2019, 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, 2020 and 2019, 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  
April 27, 2021**

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2020 And 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,958,417	\$ 1,378,340
Investments <i>(Note 2)</i>	6,770,071	5,232,006
Investments – deferred compensation	51,025	51,025
Accounts receivable	24,203	43,038
Federal and non-federal contracts receivable	1,007,629	1,357,070
Grants receivable <i>(Note 3)</i>	69,679	937,954
Advances	2,388	35,051
Prepaid expenses	<u>49,821</u>	<u>81,048</u>
<b>Total current assets</b>	10,933,233	9,115,532
<b>FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET <i>(Note 4)</i></b>	889,793	1,024,415
<b>OTHER ASSETS</b>		
Security deposits	<u>120,034</u>	<u>110,390</u>
<b>TOTAL ASSETS</b>	<u>\$11,943,060</u>	<u>\$10,250,337</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 256,870	\$ 290,873
Accrued payroll and leave payable	492,257	472,514
Deferred revenue	<u>800,357</u>	<u>651,898</u>
<b>Total current liabilities</b>	<u>1,549,484</u>	<u>1,415,285</u>
<b>LONG-TERM LIABILITIES</b>		
Deferred rent and deferred lease incentive <i>(Note 8)</i>	<u>1,549,471</u>	<u>1,672,099</u>
<b>Total long-term liabilities</b>	<u>1,549,471</u>	<u>1,672,099</u>
<b>Total liabilities</b>	<u>3,098,955</u>	<u>3,087,384</u>
<b>NET ASSETS <i>(Note 7)</i></b>		
Without donor restrictions	(133,554)	55,790
Board designated	<u>3,200,276</u>	<u>3,272,705</u>
<b>Total without donor restrictions</b>	3,066,722	3,328,495
With donor restrictions	<u>5,777,383</u>	<u>3,834,458</u>
<b>Total net assets</b>	<u>8,844,105</u>	<u>7,162,953</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$11,943,060</u>	<u>\$10,250,337</u>

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended September 30, 2020

	<u>WITHOUT DONOR RESTRICTIONS</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Operations</u>	<u>Board Designated</u>	<u>Total</u>		
<b>SUPPORT AND REVENUE</b>					
Grants, contracts and contributions:					
U.S. Government	\$ 1,669,174	\$ -	\$ 1,669,174	\$ -	\$ 1,669,174
Foundation and other	2,436,314	-	2,436,314	6,895,436	9,331,750
Investment income	115,263	96,907	212,170	-	212,170
Program service fees	871,766	-	871,766	-	871,766
Other revenue	2,328	-	2,328	-	2,328
Gain on expired grants and contracts	2,376	-	2,376	-	2,376
Net assets released from donor restrictions	<u>4,952,511</u>	<u>-</u>	<u>4,952,511</u>	<u>(4,952,511)</u>	<u>-</u>
<b>Total support and revenue</b>	<u>10,049,732</u>	<u>96,907</u>	<u>10,146,639</u>	<u>1,942,925</u>	<u>12,089,564</u>
<b>EXPENSES</b>					
<b>Program Services</b>					
Research and Programs	3,040,500	-	3,040,500	-	3,040,500
Policy and Advocacy	700,316	-	700,316	-	700,316
Asia Regional Office	2,420,170	-	2,420,170	-	2,420,170
Africa Regional Office	661,828	-	661,828	-	661,828
General Activities	<u>1,065,147</u>	<u>246,596</u>	<u>1,311,743</u>	<u>-</u>	<u>1,311,743</u>
<b>Total program services</b>	<u>7,887,961</u>	<u>246,596</u>	<u>8,134,557</u>	<u>-</u>	<u>8,134,557</u>
<b>Supporting Services</b>					
General and Administrative	2,207,427	124,460	2,331,887	-	2,331,887
Fundraising	<u>144,201</u>	<u>-</u>	<u>144,201</u>	<u>-</u>	<u>144,201</u>
<b>Total supporting services</b>	<u>2,351,628</u>	<u>124,460</u>	<u>2,476,088</u>	<u>-</u>	<u>2,476,088</u>
<b>Total expenses</b>	<u>10,239,589</u>	<u>371,056</u>	<u>10,610,645</u>	<u>-</u>	<u>10,610,645</u>
<b>Changes in net assets before     other items</b>	(189,857)	(274,149)	(464,006)	1,942,925	1,478,919
<b>OTHER ITEMS</b>					
Unrealized depreciation of investments	<u>513</u>	<u>201,720</u>	<u>202,233</u>	<u>-</u>	<u>202,233</u>
	<u>513</u>	<u>201,720</u>	<u>202,233</u>	<u>-</u>	<u>202,233</u>
<b>Changes in net assets</b>	(189,344)	(72,429)	(261,773)	1,942,925	1,681,152
<b>NET ASSETS</b>					
Beginning of year	<u>55,790</u>	<u>3,272,705</u>	<u>3,328,495</u>	<u>3,834,458</u>	<u>7,162,953</u>
<b>End of year</b>	<u>\$ (133,554)</u>	<u>\$ 3,200,276</u>	<u>\$ 3,066,722</u>	<u>\$ 5,777,383</u>	<u>\$ 8,844,105</u>

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended September 30, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>			<u>With Donor Restrictions</u>	<u>Total</u>
	<u>Operations</u>	<u>Board Designated</u>	<u>Total</u>		
<b>SUPPORT AND REVENUE</b>					
Grants, contracts and contributions:					
U.S. Government	\$ 1,576,828	\$ -	\$ 1,576,828	\$ -	\$ 1,576,828
Foundation and other	2,959,856	-	2,959,856	4,603,309	7,563,165
Investment income	131,851	279,442	411,293	-	411,293
Program service fees	984,078	-	984,078	-	984,078
Other revenue	(6,722)	-	(6,722)	-	(6,722)
Gain on expired grants and contracts	136,655	-	136,655	-	136,655
Net assets released from donor restrictions	<u>4,634,404</u>	<u>-</u>	<u>4,634,404</u>	<u>(4,634,404)</u>	<u>-</u>
<b>Total support and revenue</b>	<u>10,416,950</u>	<u>279,442</u>	<u>10,696,392</u>	<u>(31,095)</u>	<u>10,665,297</u>
<b>EXPENSES</b>					
<b>Program Services</b>					
Research and Programs	3,788,614	-	3,788,614	-	3,788,614
Policy and Advocacy	534,267	-	534,267	-	534,267
Asia Regional Office	2,730,499	-	2,730,499	-	2,730,499
Africa Regional Office	462,254	-	462,254	-	462,254
General Activities	<u>367,987</u>	<u>523,818</u>	<u>891,805</u>	<u>-</u>	<u>891,805</u>
<b>Total program services</b>	<u>7,883,621</u>	<u>523,818</u>	<u>8,407,439</u>	<u>-</u>	<u>8,407,439</u>
<b>Supporting Services</b>					
General and Administrative	2,455,665	241,772	2,697,437	-	2,697,437
Fundraising	<u>261,534</u>	<u>-</u>	<u>261,534</u>	<u>-</u>	<u>261,534</u>
<b>Total supporting services</b>	<u>2,717,199</u>	<u>241,772</u>	<u>2,958,971</u>	<u>-</u>	<u>2,958,971</u>
<b>Total expenses</b>	<u>10,600,820</u>	<u>765,590</u>	<u>11,366,410</u>	<u>-</u>	<u>11,366,410</u>
<b>Changes in net assets before     other items</b>	(183,870)	(486,148)	(670,018)	(31,095)	(701,113)
<b>OTHER ITEMS</b>					
Unrealized depreciation of investments	<u>17,450</u>	<u>(66,556)</u>	<u>(49,106)</u>	<u>-</u>	<u>(49,106)</u>
	<u>17,450</u>	<u>(66,556)</u>	<u>(49,106)</u>	<u>-</u>	<u>(49,106)</u>
<b>Changes in net assets</b>	(166,420)	(552,704)	(719,124)	(31,095)	(750,219)
<b>NET ASSETS</b>					
Beginning 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>
<b>End of year</b>	<u>\$ 55,790</u>	<u>\$ 3,272,705</u>	<u>\$ 3,328,495</u>	<u>\$ 3,834,458</u>	<u>\$ 7,162,953</u>

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended September 30, 2020 With Summarized Financial Information For 2019

	2020				
	PROGRAM SERVICES				
	Research And Programs	Policy And Advocacy Group	Asia Regional Office	Africa Regional Office	General Activities
<b>EXPENSES</b>					
Salaries – Headquarters	\$ 1,059,467	\$ 248,482	\$ 15,804	\$ 18,819	\$ 614,703
Salaries – Secounded	-	1,046	127,311	-	-
Salaries – Field offices	38,939	1,650	562,784	227,983	29,506
Benefits	494,788	114,424	250,992	66,913	44,017
Printing and duplicating	4,504	2,659	3,694	5,182	937
Occupancy	-	-	-	22,957	278,740
Accounting/Audit	-	-	-	-	11,886
Insurance	-	-	-	-	84,135
Depreciation and amortization	-	-	-	-	-
Telecommunications	1,125	483	13,825	4,191	208
Postage and delivery	58	29	949	-	11
Office supplies	655	-	3,518	5,675	2,074
Subscriptions and publications	500	2,869	164	-	-
Other direct costs	577	734	1,606	288	25,802
Bank fees	341	70	1	1,821	240
Equipment	242	2,500	613	4,330	11,017
Contract services	531,253	156,925	216,976	79,493	112,979
Meetings and conferences	4,100	5,805	36,313	4,925	4,219
Recruitment	599	-	72	-	-
Program support	165,488	38,681	133,676	97,587	74,118
Sub-agreements	165,099	-	801,106	70,448	-
Facilities	424,883	99,272	185,229	7,498	34,464
Honoraria	500	3,200	-	10,426	(300)
Transportation and travel	102,863	21,418	65,537	33,292	12,919
Representation	147	69	-	-	210
Miscellaneous	44,372	-	-	-	(30,142)
Total expenses before general and administrative allocation	3,040,500	700,316	2,420,170	661,828	1,311,743
General and administrative allocation	<u>1,087,175</u>	<u>266,756</u>	<u>659,485</u>	<u>139,816</u>	<u>116,792</u>
Total expenses	<u>\$ 4,127,675</u>	<u>\$ 967,072</u>	<u>\$ 3,079,655</u>	<u>\$ 801,644</u>	<u>\$ 1,428,535</u>

<b>SUPPORTING SERVICES</b>					<b>2019</b>
<b>Total Program Services</b>	<b>Fundraising</b>	<b>General And Administrative</b>	<b>Total Supporting Services</b>	<b>Total</b>	<b>Total</b>
\$ 1,957,275	\$ 49,195	\$ 1,176,584	\$ 1,225,779	\$ 3,183,054	\$ 3,680,250
128,357	-	63,449	63,449	191,806	149,742
860,862	-	202,755	202,755	1,063,617	879,978
971,134	22,476	633,406	655,882	1,627,016	1,842,683
16,976	971	20,639	21,610	38,586	78,084
301,697	-	736,731	736,731	1,038,428	1,007,937
11,886	-	41,754	41,754	53,640	41,649
84,135	-	25,127	25,127	109,262	22,798
-	-	134,622	134,622	134,622	136,542
19,832	-	27,818	27,818	47,650	58,605
1,047	26	638	664	1,711	9,625
11,922	(21)	13,260	13,239	25,161	22,328
3,533	596	23,381	23,977	27,510	19,149
29,007	13,820	14,161	27,981	56,988	73,932
2,473	1,455	9,914	11,369	13,842	16,885
18,702	199	192,515	192,714	211,416	185,402
1,097,626	25,763	243,816	269,579	1,367,205	1,072,735
55,362	1,173	11,711	12,884	68,246	307,102
671	-	111	111	782	175
509,550	7,965	(517,515)	(509,550)	-	-
1,036,653	-	-	-	1,036,653	1,222,716
751,346	19,600	(770,946)	(751,346)	-	-
13,826	-	7,250	7,250	21,076	9,709
236,029	964	32,876	33,840	269,869	508,250
426	19	893	912	1,338	992
<u>14,230</u>	<u>-</u>	<u>6,937</u>	<u>6,937</u>	<u>21,167</u>	<u>19,142</u>
8,134,557	144,201	2,331,887	2,476,088	10,610,645	11,366,410
<u>2,270,024</u>	<u>54,927</u>	<u>(2,324,951)</u>	<u>(2,270,024)</u>	<u>-</u>	<u>-</u>
<u>\$ 10,404,581</u>	<u>\$ 199,128</u>	<u>\$ 6,936</u>	<u>\$ 206,064</u>	<u>\$ 10,610,645</u>	<u>\$ 11,366,410</u>



# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For The Years Ended September 30, 2020 And 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 1,681,152	\$ (750,219)
Adjustments to reconcile increase in net assets to net cash used for operating activities:		
Depreciation and amortization	134,622	136,542
Stock gifts	(212,415)	(24,713)
Realized and unrealized gain on investment	(312,304)	(230,337)
(Increase) decrease in:		
Accounts receivable	97,812	(15,171)
Contracts receivable	349,441	(30,204)
Grants receivable	789,298	(638,440)
Advances	32,663	(20,096)
Prepaid expenses	31,227	71,875
Security deposits	(9,644)	5,538
Increase (decrease) in:		
Accounts payable	(34,003)	128,584
Accrued payroll and leave payable	19,743	57,631
Deferred revenue	148,459	105,682
Deferred rent and deferred lease incentive	<u>(122,628)</u>	<u>(102,229)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>2,593,423</u>	<u>(1,305,557)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of furniture, equipment and leasehold improvements	-	(32,104)
Purchase of investments	(1,476,620)	(521,065)
Proceeds from sale of investments	<u>463,274</u>	<u>931,945</u>
<b>Net cash provided by (used in) investing activities</b>	<u>(1,013,346)</u>	<u>378,776</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	1,580,077	(926,781)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>1,378,340</u>	<u>2,305,121</u>
<b>End of year</b>	<u>\$ 2,958,417</u>	<u>\$ 1,378,340</u>

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2020 And 2019

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### (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*”), Kenya, International Centre for Research on Women – East Africa Regional Office (“*ICRW-EARO Kenya*”), and Uganda, International Centre for Research on Women Uganda Limited (“*ICRW-Uganda*”) 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. ICRW – Uganda is registered with the National Bureau for non-Governmental Organizations in Uganda. These organizations have separate Board of Directors. ICRW has elected to consolidate ICRW – India, ICRW – Kenya and ICRW – Uganda 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, ICRW – EARO and ICRW – Uganda.

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, ICRW’s net assets and changes therein are classified as follows:

***Without Donor Restrictions*** – Net assets that are not subject to donor-imposed restrictions. Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of income from gifts without restrictions; conditional contributions whose restrictions are met during the period; program services fees; resources designated by the Board of Directors; and expenses associated with the core activities of ICRW.

***With Donor Restrictions*** – Net assets subject to donor-imposed restrictions that will be met either by actions of ICRW or the passage of time. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

#### **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.

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2020 And 2019

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### ***FOREIGN CURRENCY TRANSLATION***

In addition to ICRW's U.S. office, ICRW maintains offices in Uganda, 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.

### ***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, 2017 – 2019) or expected to be taken in ICRW's September 30, 2020 tax return and has concluded that there are not significant uncertain tax positions that would require recognition in the financial statements.

### ***CONTRIBUTIONS***

ICRW recognizes contributions when cash, securities, or other assets, and unconditional promises to give are received. Conditional contributions include donor-imposed conditions with one or more barriers that must be overcome before ICRW is entitled to the assets transferred or promised and there is a right of return to the contributor for assets transferred or a right of release of the promisor from its obligation to transfer assets. ICRW recognizes conditional contributions when the conditions are substantially met or waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as "***net assets released from restrictions.***"

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## *NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)*

September 30, 2020 And 2019

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### ***GOVERNMENT GRANTS***

ICRW is the recipient of awards from the U.S. Government (directly and indirectly through sub-awards) which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when ICRW has incurred expenditures in compliance with specific contract or grant provisions or has fulfilled the performance requirements. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

In 2020, government grant revenue includes approximately \$753,000 from the Small Business Administration's ("SBA") Paycheck Protection Program (the "PPP Loan"). ICRW accounted for the PPP Loan as a conditional contribution with the incurrence of qualifying expenses representing the barrier to recognition. ICRW incurred qualifying expenditures to the extent of the PPP Loan amount as of September 30, 2020, and as such, recognized the award as income. Subsequent to year end, the loan was formally forgiven by the SBA. Additionally, subsequent to year end, on February 8, 2021, ICRW qualified and received a second PPP Loan from the SBA in the amount of \$753,029.

### ***PROGRAM SERVICE FEES***

Revenue from program services represents fees charged for services to Fortune 1000 companies and global organizations who seek to achieve lasting organizational and social change related to gender equality and women's empowerment. Revenue from such services is recognized when control is transferred to the customer in an amount that reflects the consideration ICRW expects to be entitled to in exchange for such services.

### ***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 Uganda, India and Kenya. ICRW had approximately \$451,000 and \$358,000 of cash and cash equivalents held at financial institutions and on hand in foreign countries as of September 30, 2020 and 2019, respectively. The funds held in foreign countries are uninsured.

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2020 And 2019

### NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year thus the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied retrospectively in the year the ASU is first applied. ICRW adopted the new ASU during 2020 and it did not have a material effect on the financial statements.

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 the contributions received by ICRW for fiscal years beginning after December 15, 2018, and it is effective for contributions made for fiscal years beginning after December 15, 2019. 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 adopted the component associated with contributions received during 2020 and it did not have a material effect on the financial statements.

### ACCOUNTING PRONOUNCEMENT NOT YET ADOPTED

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, 2021. 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.

## (2) INVESTMENTS

Investments consisted of the following at September 30, 2020 and 2019:

	2020		2019	
	Cost	Market	Cost	Market
Money Market	\$2,752,133	\$2,752,133	\$1,275,513	\$1,275,513
CDs	76,120	75,229	76,120	75,418
Equities	-	-	1,410	1,923
Mutual Funds				
Equities	919,359	1,837,124	1,001,470	1,771,604
Fixed Income	<u>1,943,241</u>	<u>2,105,585</u>	<u>2,013,672</u>	<u>2,107,548</u>
<b>Total Investments</b>	<b><u>\$5,690,853</u></b>	<b><u>\$6,770,071</u></b>	<b><u>\$4,368,185</u></b>	<b><u>\$5,232,006</u></b>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2020 And 2019

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.

The summary of inputs used to value ICRW’s investments as of September 30, 2020 and 2019 is as follows:

	<u>2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Asset Class:</b>				
Money Market	\$2,752,133	\$ -	\$ -	\$2,752,133
Certificates of deposit	-	75,229	-	75,229
Mutual Funds:				
Equities	1,837,124	-	-	1,837,124
Fixed Income	<u>2,105,585</u>	<u>-</u>	<u>-</u>	<u>2,105,585</u>
<b>Total</b>	<u>\$6,694,842</u>	<u>\$ 75,229</u>	<u>\$ -</u>	<u>\$6,770,071</u>

	<u>2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Asset Class:</b>				
Money Market	\$1,275,513	\$ -	\$ -	\$1,275,513
Certificates of deposit	-	75,418	-	75,418
Equities	1,923	-	-	1,923
Mutual Funds:				
Equities	1,771,604	-	-	1,771,604
Fixed Income	<u>2,107,548</u>	<u>-</u>	<u>-</u>	<u>2,107,548</u>
<b>Total</b>	<u>\$5,156,588</u>	<u>\$ 75,418</u>	<u>\$ -</u>	<u>\$5,232,006</u>

Included in investment income are the following:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 116,626	\$ 128,295
Realized gains	<u>95,544</u>	<u>279,443</u>
<b>Total investment income</b>	<u>\$ 212,170</u>	<u>\$ 407,738</u>
<b>Unrealized appreciation (depreciation) of investments</b>	<u>\$ 202,233</u>	<u>\$ (49,106)</u>

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2020 And 2019

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### (3) GRANTS RECEIVABLE

As of September 30, 2020, grants receivable was comprised primarily of amounts due in connection with conditional contributions whose conditions were met as of the end of the fiscal year. All balances are due within one year from the statement of financial position date. As of September 30, 2019, such amounts represented amounts due from conditional awards whose conditions were met and unconditional grants and were due within one year.

### (4) FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements are as follows at September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 575,645	\$ 575,645
Leasehold improvements	<u>1,999,941</u>	<u>1,999,941</u>
	2,575,586	2,575,586
Less: Accumulated depreciation and amortization	<u>(1,685,793)</u>	<u>(1,551,171)</u>
Furniture and equipment, net	<u>\$ 889,793</u>	<u>\$ 1,024,415</u>

### (5) DEFERRED COMPENSATION

ICRW maintains a deferred compensation account for eligible employees. The investment in the deferred compensation account was \$51,025 for the years ended September 30, 2020 and 2019. Contributions to the account were \$50,000 during each of the years ending September 30, 2020 and 2019.

### (6) BANK LINE OF CREDIT

ICRW has available a \$300,000 revolving working capital line of credit as of September 30, 2020. 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, 2020 and 2019. The line of credit expires on June 30, 2021.

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2020 And 2019

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### (7) NET ASSETS

As of September 30, 2020 and 2019, net assets have been designated by the Board of Directors for the following purposes:

	<u>2020</u>	<u>2019</u>
Operating Reserve	\$3,346,739	\$3,272,705

Net assets with donor restrictions as of September 30, 2020 and 2019 relates to non-Federal grants. The net assets will be released when expenses are incurred that satisfy the restricted purposes. Net assets with donor restrictions consist of the following at September 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Research and Programs	\$ 123,073	\$ 235,776
Africa Regional Office	988,370	614,732
Asia Regional Office	2,485,142	1,863,469
Research and Innovation	352,825	453,661
General Activities	<u>1,827,973</u>	<u>666,820</u>
	<u>\$5,777,383</u>	<u>\$3,834,458</u>

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

	<u>2020</u>	<u>2019</u>
Research and Programs	\$ 69,092	\$ 223,631
Africa Regional Office	469,765	263,252
Asia Regional Office	2,848,534	2,858,589
Research and Innovation	582,780	660,027
General Activities	<u>982,340</u>	<u>628,905</u>
	<u>\$4,952,511</u>	<u>\$4,634,404</u>

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

### (8) LEASE AND OTHER COMMITMENTS AND CONTINGENCIES

ICRW has an operating lease for its office space 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, 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 Nairobi, Kenya, Kampala, Uganda and Mumbai and Delhi, India. These leases are on a month-to-month or annual basis.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2020 And 2019

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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, 2020:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 863,626
2022	890,584
2023	912,823
2024	935,622
2025	958,980
Thereafter	<u>1,990,596</u>
	<u>\$6,552,231</u>

Rent expense was \$1,038,429 and \$1,007,938, for the years ended September 30, 2020 and 2019, respectively.

### **OTHER COMMITMENTS**

At September 30, 2020 ICRW had obligated funds through various sub-agreements for research and program support with third-party organizations in the amount of \$1,457,271, 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.

### **CONTINGENCIES**

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, 2018. Management believes that any adjustment to the administrative overhead rates for 2019 and 2020, if any, will not have a material effect on the financial position or operating results of ICRW.

In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, there have been mandates from federal, state and local authorities resulting in an overall decline in economic activity. The current operating environment is changing rapidly. The extent of impact that the COVID-19 pandemic will have on the financial performance of ICRW's investments and operations is not reasonably estimable at this time.

### **(9) 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, 2020 and 2019 were \$215,800 and \$285,652, respectively.

# INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

September 30, 2020 And 2019

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### (10) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

At September 30, 2020 and 2019, financial assets and liquidity resources available within one year for general expenditure such as operating expenses and grant expenses, were as follows:

Financial Assets	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,958,417	\$ 1,378,340
Investments – current	6,770,071	5,232,006
Accounts receivable	24,203	43,038
Contracts receivable	1,067,638	1,357,070
Grants receivable, current	<u>69,679</u>	<u>937,954</u>
Total financial assets available within one year	10,890,008	8,948,408
Less those unavailable for general expenditure within one year due to:		
Donor-imposed restrictions	(5,777,383)	(3,834,458)
Board restrictions	<u>(3,200,276)</u>	<u>(3,272,705)</u>
Total financial assets available to management for General expenditure within one year	<u>\$ 1,912,349</u>	<u>\$ 1,841,245</u>

As part of ICRW's liquidity management, it has a practice to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Although ICRW does not intend to spend from its board-designated funds outside of certain pre-approved projects, amounts could be made available, if necessary, with board approval. Additionally, ICRW maintains a \$300,000 line of credit which can be drawn on as needed during the year to manage cash flows.

### (11) SUBSEQUENT EVENTS

In preparing these consolidated financial statements, ICRW has evaluated events and transactions for potential recognition or disclosure through April 27, 2021, the date the financial statements were issued.