



WOMEN FOR AFGHAN WOMEN

WOMEN FOR AFGHAN WOMEN, INC.

**Independent Auditor's Report
On Consolidated Financial Statements**

For The Year Ending December 31, 2020

Emerging Consulting Group
44330 Mercure Circle, Suite 250C
Sterling, VA 20166, USA
+1 800 838 0096
www.EmergingConsultingGroup.com

Women for Afghan Women, Inc.

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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors
Women for Afghan Women, Inc.
Fresh Meadows, New York

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Women for Afghan Women, Inc. (a Non-profit Organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the consolidated related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 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 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 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 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 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 consolidated financial position of Women for Afghan Women, Inc. and Women for Afghan Women - Afghanistan as of December 31, 2020, and the consolidated changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The December 31, 2019 consolidated financial statements were audited by other auditors, and they expressed an unmodified opinion on them in their report dated May 9, 2021, but they have not performed any auditing procedures since that date.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the Consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for 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 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2022, on our consideration of Women for Afghan Women, Inc.'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 solely 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 the effectiveness of Women for Afghan Women, Inc.'s 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 Women for Afghan Women, Inc.'s internal control over financial reporting and compliance

Emerging Consulting Group

Emerging Consulting Group
Sterling, Virginia
December 15, 2022

Women for Afghan Women, Inc
Consolidated Statement of Financial Position
As of December 31, 2020 and 2019

	Note	WAW US 2020	WAW Afghanistan 2020	Eliminating Entries	Consolidated 2020	Consolidated 2019
ASSETS						
Current assets:						
Cash and Cash Equivalent	<u>4</u>	\$ 310,971	\$ 514,036		\$ 825,007	\$ 1,029,794
Accounts Receivable, net	<u>5</u>	35,860	-		35,860	2,110
Advances and Security Deposits		-	21,822		21,822	11,845
Intra-Entity Receivable	<u>6</u>	-	848,002	(848,002)	-	-
Grant Receivable	<u>7</u>	1,059,662	396,187		1,455,849	1,084,094
Pledges Receivable		-	-		-	56,078
Prepaid Expenses		12,345	-		12,345	29,656
Deposit		9,637	-		9,637	9,782
Total Current-Assets		\$ 1,428,475	\$ 1,780,047	\$(848,002)	\$ 2,360,520	\$ 2,223,359
Non-Current Assets:						
Land, Buildings and Equipment	<u>8</u>	8,611	147,046		155,657	126,431
Total Assets		\$ 1,437,086	\$ 1,927,093	\$(848,002)	\$ 2,516,177	\$ 2,349,790
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	<u>9</u>	\$ 5,832	\$ 119,506		\$ 125,338	\$ 112,368
Intra-Entity Payable	<u>6</u>	848,002	-	(848,002)	-	-
Credit Card Payments payable		2,417	-		2,417	6,981
Accrued expenses and other liabilities	<u>10</u>	20,000	301,309		321,309	8,723
Payroll, sales tax and related payables		6,130	-		6,130	9,693
403B Contributions payable		-	-		-	4,650
Deferred Revenue	<u>11</u>	-	252,288		252,288	611,054
PPP Loan	<u>12</u>	226,409	-		226,409	-
Payable to Sub grantees/ Consultants		10,044	-		10,044	-
Credits		-	-		-	(820)
Total current liabilities		\$ 1,118,834	\$ 673,103	\$(848,002)	\$ 943,935	\$ 752,650
Total liabilities						
Net Assets:						
Without Donor Restriction	<u>14</u>	\$ 271,975	\$ 1,216,301		\$ 1,488,276	\$ 1,558,945
With Donor Restriction	<u>15</u>	46,277	37,689		83,966	38,195
		\$ 318,252	\$ 1,253,990	\$ -	\$ 1,572,242	\$ 1,597,140
TOTAL LIABILITIES AND NET ASSETS		\$ 1,437,086	\$ 1,927,093	\$(848,002)	\$ 2,516,177	\$ 2,349,790

See accompanying notes to the consolidated financial statements.

Women for Afghan Women, Inc.
Consolidated Statement of Activities
For Years Ending December 31, 2020, and 2019

	Notes	WAW US 2020	WAW Afghanistan 2020	Eliminating Entries	Consolidated 2020	Consolidated 2019
Operating revenue						
Unrestricted						
Grant Contributions	<u>16</u>	\$ 1,191,835	\$ 8,610,871	\$ (327,968)	\$ 9,474,739	\$ 8,046,237
Honorarium Income		-	-		-	395
Gala		-	-		-	104,841
Other Fund Raising Events -NONGALA		-	-		-	6,242
Admin Revenue		97,932	171,959		269,891	97,283
Foreign Exchange (Loss)		-	(209)		(209)	(19,903)
Other Revenue		-	-		-	128,947
		\$ 1,289,767	\$ 8,782,621	\$ (327,968)	\$ 9,744,420	\$ 8,364,042
Temporarily Restricted						
Government Grants and Contributions		928,290	8,498,671		9,426,960	8,080,631
Net Assets released from restrictions	<u>17</u>	(928,290)	(8,498,671)		(9,426,960)	(8,080,631)
		-	-	-	-	-
Total revenue and support		\$ 1,289,767	\$ 8,782,621	\$ (327,968)	\$ 9,744,420	\$ 8,364,042
Operating expenses and losses						
Community Center and Advocacy		555,988	-		555,988	796,848
Guidance/Support Center and shelters		216,884	7,448,763	(170,543)	7,495,104	6,176,182
Management and General		464,828	1,174,621	(157,425)	1,482,024	1,361,255
Fundraising		239,138	-		239,138	329,071
Total Expenditure		\$ 1,476,839	\$ 8,623,384	\$ (327,968)	\$ 9,772,254	\$ 8,663,356
Changes in net assets from operating activity		\$ (187,072)	\$ 159,238	\$ -	\$ (27,834)	\$ (299,313)
Non-Operating Activity						
Interest Income		-	-		-	14
Interest Expense		-	-		-	(1)
Changes in net assets from Non-operating activity		-	-	-	-	13
Changes in net assets		\$ (187,072)	\$ 159,237.66	\$ -	\$ (27,834)	\$ (299,300)
Prior Period Adjustment	<u>20</u>	2,936	-	-	2,936	-
Adjusted net assets, December 31, 2019		502,388	1,094,752	-	1,597,140	1,896,440
Closing Net Assets		\$ 318,252	\$ 1,253,990	\$ -	\$ 1,572,242	\$ 1,597,140

See accompanying notes to the consolidated financial statements.

Women for Afghan Women, Inc.
Consolidated Statement of Functional Expenses
For Years Ending December 31, 2020 and 2019

	Program Activities		Support Activities		Fund Raising	Eliminating Entries	Consolidated	Consolidated
	WAW US	WAW Afghanistan	WAW US	WAW Afghanistan	WAW US		2020	2019
Compensation and related expenses:								
Salaries	\$ 438,856	\$ 4,110,102	\$ 279,424	\$ 863,517	\$ 136,961	\$ (265,819)	\$ 5,563,041	\$ 4,774,291
Payroll taxes and employee benefits	133,028	292,462	89,413	51,470	40,088	(51,447)	555,014	470,349
Total compensation and related expenses	\$ 571,884	\$ 4,402,564	\$ 368,838	\$ 914,987	\$ 177,049	\$ (317,266)	\$ 6,118,055	\$ 5,244,639
Other Expenses								
Bank charges & processing fees	\$ -	\$ 4,065	\$ -	\$ 22,401	\$ -		\$ 26,466	\$ 28,116
Celebrating International Days	-	-	-	-	-		-	20,039
Consultant/Advisor	-	4,500	-	1,100	-		5,600	6,615
Depreciation/Amortization	543	-	1,435	38,587	175		40,740	31,608
Education and Training	-	221,599	-	-	-		221,599	226,072
Food, Clothing and Medical Expenses	-	728,921	-	21,328	-		750,249	807,932
Gala Event Expenses	-	-	-	-	-		-	74,417
Generator Fuel and maintenance	-	8,722	-	1,224	-		9,945	10,021
Heating material	-	82,990	-	5,965	-		88,955	71,222
Kitchen Supplies	-	14,965	-	290	-		15,255	9,247
Inter-organizational Expenses	-	-	-	-	-		-	-
Miscellaneous	-	56,567	-	7,251	-		63,819	44,623
Office supplies and expenses	37,980	96,225	26,527	15,506	10,337	(214)	186,360	181,153
Other supplies pillow mattress	-	29,917	-	-	-		29,917	45,048
Personal Hygiene	-	120,514	-	-	-		120,514	75,722
Printing, postage and delivery	-	13,567	-	-	-		13,567	13,711
Professional fees, and outside contractors	49,334	-	25,799	18,544	39,451	(6,000)	127,128	115,576
Program Expenses-Other	68,095	-	10,596	-	5,934		84,624	69,619
Program supplies & Equipment - Other	-	129,623	-	5,220	-		134,843	-
Rent and Utilities	42,257	840,161	25,438	55,457	5,459	(4,488)	964,283	882,951
Repairs and maintenance	-	63,889	-	-	-		63,889	37,742
Security	-	102,650	-	9,296	-		111,947	74,814
Telephone, internet and communications	-	110,333	-	21,206	-		131,538	91,399
Travel, hotels and related expenses	2,780	67,376	4,788	18,003	734		93,682	144,435
Vehicles and related expenses	-	349,616	-	18,256	-		367,872	356,638
Interest	-	-	1,409	-	-		1,409	-
	\$ 200,989	\$ 3,046,198	\$ 95,991	\$ 259,634	\$ 62,089	\$ (10,702)	\$ 3,654,199	\$ 3,418,717
Total Expenses	\$ 772,873	\$ 7,448,763	\$ 464,828	\$ 1,174,621	\$ 239,138	\$ (327,968)	\$ 9,772,254	\$ 8,663,356

See accompanying notes to the consolidated financial statements.

Women for Afghan Women, Inc.
Consolidated Statement of Cash Flows
For Years Ending December 31, 2020 and 2019

	WAW US	WAW Afghanistan	Consolidated	Consolidated
	2020	2020	2020	2019
Cash Flows from Operating Activities				
Change in Net Assets	(187,072)	159,238	(27,834)	(299,300)
Adjustments to reconcile change in net assets to net cash	-	-	-	5,901
Depreciation	2,153	38,587	40,740	2,691
Adjustments to reconcile change in net worth from operating activities:				
Accounts receivable, net	(33,750)	324,839	291,089	(1,910)
Interagency receivable	-	(316,197)	(316,197)	(386,817)
Grants reimbursement receivable	(292,292)	-	(292,292)	581,176
Pledges receivable	56,078	-	56,078	(23,675)
Prepaid expenses	17,311	-	17,311	(14,656)
Deposit	145	-	145	26,331
Accounts payable	(3,913)	-	(3,913)	1,007
Due To Kabul	(88,105)	-	(88,105)	622,848
Accrued expenses and other liabilities	19,808	309,661	329,470	(509,889)
Payroll, sales tax and related payables	(2,743)	-	(2,743)	(28)
403(B) Contribution (Dental & Vision Withholding)	(4,650)	-	(4,650)	8,785
Credit Card	(4,563)	-	(4,563)	4,650
Deferred revenue	(11,554)	(347,213)	(358,767)	374,499
Credits	-	-	-	(820)
Payable to sub-grantee advances and security deposit	10,044	-	10,044	-
	-	(9,976)	(9,976)	-
Net Cash Flows from Operating Activities	\$(523,104)	\$ 158,938	\$ (364,165)	\$ 390,793
Cash flows from investing activities:				
Acquisition of land, building and equipment	-	(69,966)	(69,966)	(126,891)
Net cash used for investing activities	\$ -	\$ (69,966)	\$ (69,966)	\$ (126,891)
Cash flows from financing activities	-	-	-	-
New loan and notes payable borrowings	226,409	-	226,409	-
Net cash provided by financing activities	\$ 226,409	\$ -	\$ 226,409	\$ -
Prior Period Adjustments	2,936	-	2,936	-
Net increase (decrease) in cash and cash equivalents	\$(293,759)	\$ 88,972	\$ (204,787)	\$ 263,902
Cash and cash equivalents, at the beginning of the year	604,730	425,064	1,029,794	765,893
Cash and cash equivalents, at the end of the year	\$ 310,971	\$ 514,036	\$ 825,007	\$ 1,029,795

See accompanying notes to the financial statements.

Women for Afghan Women, Inc.
Notes to the Consolidated Financial Statements

1. About the Organization:

Group: Women for Afghan Women, Inc. (referred to as Group or WAW) is a not-for-profit corporation, incorporated in the State of New York in January 2002 with major operations in New York and Afghanistan. Women for Afghan Women-Afghanistan office is registered with ministry of Economy of Afghanistan as a Not-for-Profit Organization in September 2006. The primary purpose of WAW- US is to provide numerous pro bono services to expanded Afghan community through the operations of a bustling community center in Queens, New York. The primary purpose of WAW-Afghanistan is to secure and protect the rights of disenfranchised Afghan women and girls through the operation of legal aid centers and emergency and long-term care shelters for women and children in 13 provinces of Afghanistan. WAW maintains its main office in Queens, New York and an office in Kabul Afghanistan. The satellite office in Washington, DC USA was closed since 2019.

Major source of income: The Group receives its support from a combination of the U.S. Department of State, Foreign Government Grants, United Nations subdivisions, donations from Individuals and Foundations, Ticket Sales and Sponsorships to Special events.

Programs and services provided: The Group's two major program areas include the following:

a. Community Center & Advocacy: A community center located in the heart of the Afghan community in Queens, NY that provides a number of pro bono programs and crisis services to entire Afghan families, women and children including immigration and employment support, domestic violence counseling and leadership training. The Organization also raises awareness that has an effect on policies as they relate to the rights and challenges that women face in Afghanistan;

b. Guidance/Support Centers and Shelters: The operation of Family Guidance Centers is to provide counseling, mediation and legal aid to women, girls and families who have experienced human rights violations, Children Support Centers that house children who were previously living with their mothers in prison emergency and long- term Shelters for women and girls who have experienced human rights violations. The Centers and shelters operate in 13 provinces of Afghanistan.

Tax exempt status: The Group is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code in United States and is exempt from income taxes under Income Tax Law of Afghanistan within Afghanistan. Accordingly, no provision for federal, state or local income taxes has been recorded.

2 Summary of Significant Accounting Policies

Basis of presentation: In accordance with U.S. Generally Accepted Accounting Practices (US-GAAP), the Group is required to report information regarding its financial position and activities according to two classes of net assets: unrestricted net assets and temporarily restricted net assets. In addition, the Organization is required to present a consolidated statement of cash flows.

The consolidated financial statements of the Group have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America for NPOs. The financial statements are presented in accordance with Financial Accounting Standards Board

(FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC)958-205 was effective January 1, 2018.

Net Asset Classes

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Recent Accounting Developments

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This amendment clarifies and improves current not-for-profit organization guidance about whether a transfer of assets, or the reduction, settlement, or cancellation of liabilities, is a contribution or an exchange transaction. It provides criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred which, depending on the outcome, determines whether the organization follows contribution guidance or exchange transaction guidance in the revenue recognition and other applicable standards. It also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. This is important because such classification affects the timing of contribution revenue and expense recognition. The amendment is effective for the WAW year ending December 31, 2020. ASU 2018-08 did not have a material effect on the WAW statements of financial position and statements of activities, functional expenses, changes in net assets, and cash flows.

Measure of Operations: The consolidated Statements of Activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to WAW's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents: WAW's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Property and equipment: Purchased property (consisting of furniture and fixtures and equipment) are stated at cost, less accumulated depreciation. Donated property and equipment are stated at fair value on the date of donation, less accumulated depreciation. Depreciation is computed on straight-line basis in WAW - Afghanistan and declining balance basis in WAW - US. Expenditures for

maintenance and repairs are charged to current operations. Property and Equipment purchased with funds associated with, and in accordance with the contractual provisions of domestic and foreign government agency grants are initially charged to program expenses and reported to donors in the project specific expenses report and at the organization's year end, these expenses are transferred from program expenses to property and equipment and depreciated. All property and equipment whose value is deemed negligible or of little value has been written off.

WAW did not receive any donated properties in the calendar year 2020.

Contribution receivables: Contribution receivables that are expected to be collected within one year are recorded at their net realizable value. Contribution receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable contributions.

Contributions: Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Investments: Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities in accordance with donor restrictions as investment return. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

Revenue Recognition: All contributions are considered available for the Group's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increases in the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

Grants Receivable/Due to Grantors: In accordance with the grant provisions, the Group either receives grant funds following the disbursement of approved expenses or is authorized to receive funds in advance of anticipated expenditures. All unreimbursed expenses as of period-end are recorded as grant receivables and all advanced funds not expended are recorded as either refundable advances or deferred income/revenue.

Donated Services: Some personal services are donated to the Group by various individuals. The value of the contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

Functional expense allocations: The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services (which is comprised of program activities at New York Community Center, and those related to Program activities specific to Afghanistan), and supporting services benefited. Such allocations are determined by management on an equitable basis:

<u>Expenses</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and Effort
Program	Program Expenses comprise costs associated with WAW-US and proportion of WAW-Afghanistan program costs, allocated on the basis of time and effort
Occupancy and Other expenses	All occupancy and other expenses are allocated based on the EFT of individual staff using the space and resources.

Management and general expenses: The Group classifies expenses, which are not directly related to a specific program, as Management and General expenses.

Estimates and assumptions: Management uses estimates and assumptions in preparing these combined financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Fair Value Measurement: Fair Value is the price that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement standard establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring the fair value. The standard requires that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

Level 1: Observable inputs such as quoted or published prices in active markets for identical assets or liabilities (e.g., U.S. treasury issues, equities, and mutual funds traded on major exchanges);

Level 2: Inputs other than quoted or published prices included active market for identical assets of liabilities that are observable either directly or indirectly, such as interest rates, yield curves, and quoted prices in active market for similar assets or liabilities.

Level 3: Unobservable inputs in which there is little or no market data, requiring the reporting entity to develop its own assumptions.

WAW utilizes the best information available in measuring fair value, and financial assets and liabilities are classified based on the lowest level input that is significant to the fair value measurement.

Foreign currency translation: Foreign currency assets (i.e., foreign bank accounts) are translated into US dollar equivalents based on month-end exchange rates. Foreign generated support and revenue and expenses are translated at the monthly average exchange rates. The resultant exchange gains or (loss) are recognized in the statement of activities.

3 Liquidity and Availability of Resources

As of December 31, 2020, WAW had an amount of \$750,934 in the bank and cash accounts, with another \$74,073 as funds-in-transit or un-deposited. For the purposes of consistency, any amount not in the bank is treated as receivable or cash equivalent.

All cash amounts stated as cash and cash equivalents were available for immediate use, except for the amount of \$336,254 in deferred grants and restricted net assets. This amount for temporary restricted grants, was received in 2020.

Moreover, there was no board designated net assets as of December 31, 2020. WAW-US and WAW-Afghanistan often have intra-entity receivables and payables; these transactions primarily result from certain grants' contribution to WAW-US expenses, and as such these amounts calculated and deducted from any funds received in the WAW-US Bank and subsequently transferred to WAW-Afghanistan's designated bank account. These transactions are not a result of sales or exchange transactions between the two locations.

Following is a schedule of financial assets available within one year of the balance sheet date for general expenditure:

	<u>2020</u>	<u>2019</u>
Cash & Cash Equivalent	\$ 825,007	\$ 1,029,794
Accounts Receivable	35,860	2,110
Grants Reimbursement Receivable	1,455,848	1,084,094
Pledges Receivable	-	56,078
Intra-Entity Receivable	-	-
	<u>\$ 2,316,715</u>	<u>\$ 2,172,076</u>

Other disclosures according to FASB ASC 958-210-50-2: There were no special borrowing arrangements during 2020 calendar year, and subsequently as of the issuance of the notes. This also means that there were no lines-of-credit arrangements with any financial institutions. Further, no donor imposed any restrictions as to the use of cash and cash equivalents, except as noted above for the deferred revenue (liability) and restricted net assets amounts. At current, WAW does not have a board approved policy on investment of excess cash in marketable securities, or any other types of investments with the expectation of turning profit. All grants reimbursement receivable amounts are due, and are expected to be received, within a 1 – 3 months' time period.

4 Cash and cash equivalents

	<u>2020</u>	<u>2019</u>
WAW-US	310,971	604,730
WAW Afghanistan	514,036	425,064
	<u>\$ 825,007</u>	<u>\$ 1,029,794</u>

4.1 WAW-US

Cash at Bank	310,971	604,730
	\$ 310,971.0	\$ 604,730.0
4.2 WAW Afghanistan		
Cash in Hand	2,185	527
Cash at Bank	511,851	424,537
	\$ 514,036	\$ 425,064

5 Accounts Receivable

The following amounts make the total of the accounts receivable as of December 31, 2020, which were then deposited into the WAW bank account in the subsequent months.

Closing Balance breakdown	2020
Taxes Receivables	796
Receivables from Vendors	3,959
Advances to Employees	134
Net Donations from NFG - Dec2020_Reference#123120 Afghan emergency relief	29,755
Facebook General Support Donations: Dec. 2020	870
Other	346
Total Amount	\$ 35,860

6 Intra-entity transactions

WAW US's bank account is the designated bank account for a number of donors to send funds to, for use by WAW Afghanistan. This is in recognition of WAW US, as the official headquarters of the group. Donors who normally send funds directly to New York are the U S Department of State's International Narcotics and Law (INL) agency, Swedish Agency for International Agency, The Rockefeller foundation - among others. Similarly, WAW AFG's bank account is the designated bank account for the Colombo Plan Secretariat funds; a number of the Colombo Plan Secretariat grants contribute funds towards the expenses of key personnel based at WAW US. On a periodic basis, the group reconciles funds received to arrive at net funds due to either of the locations. For consolidation purposes all intra-entity receivables and payables were eliminated.

In 2020, WAW US received the following funds from the sources listed below:

Due to WAW-Afghanistan/Due from WAW US opening balance January 1, 2020	\$ 936,107
Total donations received in WAW-US for WAW Afghanistan during 2020	1,108,307
Total fund transfer by WAW-US to WAW Afghanistan during 2020	(1,662,345)
Total offset with due from WAW Afghanistan /due to WAW-US during 2020	(420,005)
	\$ (37,937)
Total billed to USDOS-INL by WAW-US on behalf of WAW Afghanistan during 2020	885,939
Due to WAW Afghanistan/Due from WAW-US closing balance as at December 31, 2020	\$ 848,002

The net due to WAW-AFG/Due from WAW-US amount at December 31, 2020 is \$848,002;

including due from the USDOS (INL) for 2020 billings. This amount is recorded as grants reimbursement receivable, and subsequently as due to WAW-Afghanistan. For the purposes of presenting consolidated financial statements, both intra-entity receivables and payables of \$848,002 are eliminated.

7 Grants Receivable

In accordance with the grant provisions, the Organization either receives grant funds following the disbursement of approved expenses or is authorized to receive funds in advance of anticipated expenditures. All unreimbursed expenses as of period end are recorded as grant receivables and all advanced funds not expended are recorded as either refundable advances or deferred income/revenue.

	<u>2020</u>	<u>2019</u>
WAW-US	1,059,662	767,370
WAW Afghanistan	396,187	721,026
Eliminations	-	(404,302)
Total	\$ 1,455,849	\$ 1,084,094

WAW-US

	<u>2020</u>	<u>2019</u>
DYCD	99,347	57,774
Columbia Business School	-	3,300
Mayor's Office	-	8,117
Minkwon	-	1,120
NOVO Foundation	-	200,000
NY Foundation for Elder Care	7,500	-
NYS Office of Children and Family	11,943	6,067
OVW	21,087	67,983
USCIS MAIN	33,847	18,706
USDOS INL	885,939	404,302
Total	\$ 1,059,662	\$ 767,370

WAW-Afghanistan

	<u>2020</u>	<u>2019</u>
UN Women	271,391	194,495
Colombo Plan	124,460	112,611
American University of Beirut	336	9,618
INL	-	404,302
Total	\$ 396,187	\$ 721,026

8 Land, Buildings and Equipment

	<u>2020</u>	<u>2019</u>
WAW-US	8,611	10,764
WAW Afghanistan	147,046	115,667
Total	\$ 155,657	\$ 126,431

WAW-US**Cost**

	<u>2020</u>	<u>2019</u>
Compute Related Equipment	24,706	24,706
Other Equipment	12,952	12,952
Furniture and Fixtures	6,232	6,232
Total	\$ 43,890	\$ 43,890
Less: Accumulated Depreciation	(35,279)	(33,126)
Total	\$ 8,611	\$ 10,764

WAW Afghanistan Cost

	<u>2020</u>	<u>2019</u>
Machinery and Equipment	152,308	62,398
Other Equipment	-	33,842
Furniture and Fixtures	33,842	48,344
Vehicle	28,400	-
Total	\$ 214,550	\$ 144,584
Less: Accumulated Depreciation	(67,504)	(28,917)
Total	\$ 147,046	\$ 115,667

9 Accounts Payable

This represents vendor invoices for normal operating expenses that remain unpaid for the year ended December 31, 2020.

Accounts Payable

	<u>2020</u>	<u>2019</u>
WAW-US	5,832	9,746
WAW Afghanistan	119,506	102,622
	\$ 125,338	\$ 112,368

WAW-US

	<u>2020</u>	<u>2019</u>
Accounts Payable	5,832	9,746
	\$ 5,832	\$ 9,746

WAW Afghanistan

	<u>2020</u>	<u>2019</u>
Accounts Payable - AFN	69,599	55,197
Accounts Payable - USD	49,908	47,426
	\$ 119,506	\$ 102,622

10 Accrued Expenses

This represents the accrual of mainly Afghanistan salaries, payroll taxes, and other related expenses.

	<u>2020</u>	<u>2019</u>
WAW-US	20,000	192
WAW Afghanistan	301,309	8,531
Total	\$ 321,309	\$ 8,723

	<u>2020</u>	<u>2019</u>
WAW-US		
Accrued expenses and other liabilities	20,000	192
Total	\$ 20,000	\$ 192

	<u>2020</u>	<u>2019</u>
WAW Afghanistan		
Payroll Liabilities	297,862	3,178
Taxes Payable	3,447	1,953
Rent Payables	-	3,400
Total	\$ 301,309	\$ 8,531

11 Deferred Revenue

WAW records funds received (cash advances) from foundations, federal agencies and other international development agencies as deferred revenue when there is an element of exchange, or contractual obligation. As of December 31, 2020, the consolidated total of deferred revenue for 2020, and 2019 were as follows:

Deferred Revenue	<u>2020</u>	<u>2019</u>
Deferred Revenue - SIDA	191,839	385,896
Deferred Revenue - UNTF	35,615	146,072
Deferred Revenue - OXFAM	-	16,427
Deferred revenue UNHCR	1,702	29,571
Deferred revenue - LTS Revenue	23,132	-
Individual Donors	-	2,492
Tomberg Family	-	6,609
Peace Building	-	4,582
General Donation	-	10,097
Emergency Medical Fund	-	9,309
	\$ 252,288	\$ 611,054

12 PPP Loan

WAW US applied for the Paycheck Protection Program (PPP) in the amount of \$215,000. In addition, WAW US also received \$10,000 from the Small Business Administration (SBA) as Economic Injury Disaster Loan (EIDL) cash advance which is not required to be repaid. WAW Accrued Interest on the \$215,000 PPP loan from SBA @ 0.98% for 2020 amounting to \$1,408.68. The total account balance as of December 31, 2020, adds up to \$226,409.

13 Employee Benefit Plan (Tax Deferred 403B Contributions)

A 403(b) plan, also known as a tax-sheltered annuity plan, is a retirement plan for certain employees of public schools, employees of certain Code Section 501(C) tax-exempt organizations and certain ministers. A 403(b) plan allows employees to contribute some of their salary to the plan. The employer may also contribute to the plan for employees.

Retirement benefits coverage is available for all WAW US employees, provided through this plan. The assets are held for each employee in an individual account maintained by an investment firm (Vanguard). Under the plan, WAW pays all the administrative costs associated with maintaining the 403(b) plan for all employees who choose to enroll in this program, whereas the individual employees fund their own retirement plan through monthly contributions that come out of their paycheck. WAW US total expenses, to maintain the 403(b) plan, were \$775 and \$2,068 for fiscal years 2020 and 2019, respectively.

No liability amounts are recorded or recognized on the Statement of Financial Position. WAW-Afghanistan currently do not have employee benefit plan for its employees.

14 Net Assets – Without Donor Restriction

At December 31, 2020 and 2019, all unrestricted net assets are undesignated as to their use. The board of directors has not designated any part of the net assets for any particular use.

15 Net Assets – With Donor Restriction

Net assets with donor restrictions are available for the following purposes for the years ended December 31, 2020 and 2019, respectively.

	<u>2020</u>	<u>2019</u>
Flora Fund	10,000	-
RKF Rnd	10,477	-
Tomberg Fund	8,500	-
Sherrie-Ann donation	7,700	-
Hospital Survivors multiple donations	1,012	-
Roche-Relief	22,446	23,695
PRBB	6,743	7,000
NYFE	15,000	7,500
MARBLE	2,087	-
Total	\$ 83,966	\$ 38,195

16 Grant Contributions

The Group received majority of its annual revenue from the U.S. Department of State, SIDA, The Colombo Plan, UN Women, UNHCR, UNTF, City of New York (City Council grants) and Foundations.

	<u>2020</u>	<u>2019</u>
WAW US	1,191,835	964,885
WAW Afghanistan	8,610,871	7,317,279
Eliminations	<u>(327,968)</u>	<u>(235,927)</u>
Total	\$ 9,474,739	\$ 8,046,237

WAW US

	<u>2020</u>	<u>2019</u>
Contributions	205,701	163,517
Foundation Grants	192,999	207,111
International Institutions	172,944	116,828
Federal Grants	275,464	292,292
State Grants	23,358	6,067
City Grants	<u>321,369</u>	<u>179,070</u>
Total	\$ 1,191,835	\$ 964,885

WAW Afghanistan

	<u>2020</u>	<u>2019</u>
Contributions	72,366	-
Federal Grants	1,891,387	1,218,858
International Development Institutions	3,540,770	4,210,655
International Governments' Development	293,061	313,967
UN Agencies	2,721,266	1,409,575
Foundation Grants	<u>92,021</u>	<u>164,222</u>
Total	\$ 8,610,871	\$ 7,317,279

Eliminating Entries

WAW has the following eliminations as a result of intra-entry transactions.

	<u>2020</u>	<u>2019</u>
Federal Grants	147,238	92,108
Foundation Grants	7,785	26,991
Development Institutions	<u>172,944</u>	<u>116,828</u>
Total	\$ 327,967	\$ 235,927

This elimination entry of USD 147,238 relates to INL funded projects are specific to Afghanistan and this amount was included in accounts of WAW-Afghanistan Office, hence, this has to be eliminated from WAW-US portion.

This amount of USD 7,785 relates to foundation grant from Rockefeller Brothers, which included the budget for WAW-US and WAW-AFG, as WAW-Afghanistan has already reported its own portion in its individual reports, hence, has to be eliminated from WAW-US portion.

This amount of USD 172,944 is the salaries and fringe benefits portion of WAW-US office, included in Colombo Plan grants, which is reported in WAW-AFG office individual reports, hence, has to be eliminated from WAW-US portion.

17. Net Assets Released from Restriction

Net Assets Released from Restriction For the year ended December 31, 2020:

WAW-US	928,290
WAW Afghanistan	8,498,671
Total	\$ 9,426,961

WAW-US

Donor	Amount
New York Community Trust	52,999
USCIS	103,458
Department of State CSC	69,672
Department of State Transitional Housing	76,761
Department of State OVW	21,087
State Grants	23,358
New York City	255,012
Foundation	152,999
Developments Institutions	172,944
Total	\$ 928,290

WAW Afghanistan

Donor	Amount
CP	3,524,343
AUB	23,033
Rockefeller	44,935
Hospital Survivors	5,569
SIDA	293,061
Timberg	18,109
UNTF	259,661
UN WOMEN	1,032,567
UNHCR	1,429,038
USDOS	1,868,355
Total	\$ 8,498,671

18 Related party transactions and balances

During 2020, WAW did not have any related party transactions, in the form of sales, purchases or any other exchange transactions.

19 Lease Obligations

WAW US has the following schedule of minimum future lease commitments for operating leases with initial or remaining non-cancelable lease terms greater than one year as of December 31, 2020.

New York Community Center rent schedule, and lease renewal period:

July 1, 2019 through June 30, 2020 – Annual Rent \$35,496 (\$3,017 monthly)

July 1, 2020 through June 30, 2021 – Annual Rent \$35,496 (\$3,077 monthly)

July 1, 2021 through June 30, 2022 – Annual Rent \$35,496 (\$3,139 monthly)

Rent schedule for renewal period:

July 1, 2022 through June 30, 2023 – Annual Rent \$38,422 (\$3,201 monthly)

July 1, 2023 through June 30, 2024 – Annual Rent \$39,190 (\$3,265 monthly)

July 1, 2024 through June 30, 2025 – Annual Rent \$39,974 (\$3,331 monthly)

July 1, 2025 through June 30, 2026 – Annual Rent \$40,773 (\$3,397 monthly)

July 1, 2026 through June 30, 2027 – Annual Rent \$41,589 (\$3,465 monthly)

New York Headquarters: The lease for the New York headquarters was extended on a quarterly basis through the end of 2020 at \$2,200/month.

WAW US occupancy expense: Rent expense, included in occupancy on the statement of functional expenses, amounted to \$62,606 and \$66,901 for the years ended Dec 31, 2020 and 2019, respectively.

WAW US has a security deposit balance as of December 31, 2020 was \$9,637.

There are no other contingencies and commitments as of the reporting date.

20 Prior Period Adjustments

For WAW US management found uncleared check payments totaling \$2,936 that were issued in 2018 and 2019 and were still outstanding as of December 31, 2020. These outstanding payments were written off at the end of 2020.

21 Subsequent Events

Management has evaluated subsequent events through November 27, 2022, the date of the financial statements was available to be issued, to evaluate whether any such events warrant adjustment to any reported amounts or inclusion of additional disclosures.

On June 16, 2021, WAW US applied for Paycheck Protection Program (PPP) loan forgiveness and \$165,042.34 of the total \$215,000 PPP loan was forgiven in June 2021. In July 2021 WAW US started repaying the remaining PPP loan and as of the issuance date of the financial statements, the outstanding balance to be repaid was \$5,500.

After the Taliban came to power in Afghanistan in August 2021, WAW Afghanistan had to shut down all Shelters (including Women's Protection Centers, Halfway House, and Transitional House) and Family Guidance Centers. Additionally, in response to these realities, the following agency

partnerships were affected:

- The contract for INL's Transitional House ended in April 2022 and was not renewed. The partnership with INL for CSC has ended in August 2022.
- The partnership with UN Women has ended.
- The partnership with Colombo Plan has ended at the end of June 2022. The partnership's shelters and Family Guidance Centers have already closed.
- The UNHCR partnership is still ongoing.
- The UN Trust Fund approved a No Cost Extension for their partnership through February 2023. The current grant will expire at that point and WAW is not sure if the partnership and program will end in February 2023.
- In 2022, WAW Afghanistan also began humanitarian work (food distribution) using Foundation Grants and Contributions.

Although activities in Afghanistan have been reduced, there is an expansion of activity in the US due to an increase in demand for services from people relocated from Afghanistan to the US. In March 2022, WAW US entered into a lease agreement for office space in Virginia and opened a Community Center at that location. The lease includes escalating rent payments over a 62-month term. The minimum monthly lease payment is \$4,974 over the length of the lease.

WAW management stated that during the period of September 2021 to May 2022, WAW US was able to attract new contributions of approximately \$11,000,000 for operations in US and Afghanistan.

Due to the result of the COVID-19 pandemic and the change in the political regime in Afghanistan, and the current uncertainty in Afghanistan, management anticipates declined programs and operations during 2021 and 2022 in Afghanistan. As of the date of these financial statements, the full scope of the impact of the pandemic and change in the political regime in Afghanistan on the Organization is not fully known. However, WAW – financially – will continue to operate as a going concern.



**INDEPENDENT AUDITOR'S 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**

To: The Board of Directors
Women for Afghan Women, Inc.
Fresh Meadows, New York

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 consolidated financial statements of Women for Afghan Women, Inc. (a non-profit organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 15, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Women for Afghan Women, Inc.'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Women for Afghan Women, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Women for Afghan Women, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Women for Afghan Women, Inc.'s consolidated 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 consolidated 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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Emerging Consulting Group

Emerging Consulting Group

Sterling, Virginia

December 15, 2022



INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To: The Board of Directors
Women for Afghan Women, Inc.
Fresh Meadows, New York

Report on Compliance for Each Major Federal Program

We have audited the Women for Afghan Women Inc.’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Women for Afghan Women Inc.’s major federal programs for the year ended December 31, 2020. The Women for Afghan Women Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Women for Afghan Women Inc.’s major federal programs 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the 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 the Women for Afghan Women Inc.’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 each major federal program. However, our audit does not provide a legal determination of the Women for Afghan Women Inc.’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Women for Afghan Women Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

Management of the Women for Afghan Women Inc. 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 the Women for Afghan Women Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the 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 the Women for Afghan Women Inc.'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.

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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditure of Federal Awards Required by the Uniform Guidance

We have audited the Consolidated financial statements of Women for Afghan Women, Inc. as of and for the year ended December 31, 2020, and have issued our report thereon dated December 15, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on those Consolidated financial statements as a

whole. The accompanying schedule of expenditures of federal award is presented for purpose of additional analysis as required by the Uniform Guidance 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the Consolidated financial statements as a whole.

Emerging Consulting Group

Emerging Consulting Group
Sterling, Virginia
December 15, 2022

Women for Afghan Women, Inc.
Consolidated Schedule of Expenditures of Federal Awards
For Year Ending December 31, 2020

FEDERAL GRANTOR (PASS-THROUGH GRANTOR)	AGENCY OR PASS-THROUGH AWARD NUMBER	CFDA	TOTAL EXPENDITURE, \$
U.S. Department of State	SINLEC-19-CA-0266	19.703	\$1,255,535
U.S. Department of State	SINLEC19GR0195	19.703	\$612,820
U.S. Department of State	SAF20019CA0071	19.501	\$25,336
US Department of Justice, Office on Violence Against Women	2020-UD-AX-0002	16.889	\$21,087
Department of Homeland Security	19CICET00104-01-00	97.010	\$107,116
			\$2,021,894

Women for Afghan Women, Inc.
Notes to Consolidated Schedule of Expenditures of Federal Awards
For Year Ending December 31, 2020

NOTE A – NATURE OF ACTIVITIES

Group

Women for Afghan Women, Inc. (referred to as Group or WAW) is a not-for-profit corporation, incorporated in the State of New York in January 2002 with major operations in New York and Afghanistan. Women for Afghan Women-Afghanistan office was registered with the Ministry of Economy of Afghanistan as a Not-for-Profit Organization in September 2006. The primary purpose of WAW US is to provide numerous pro bono services to expand Afghan community through the operations of a bustling community center in Queens, New York. The primary purpose of WAW Afghanistan is to secure and protect the rights of disenfranchised Afghan women and girls through the operation of legal aid centers and emergency and long-term care shelters for women and children in 13 provinces of Afghanistan's 34 provinces. WAW maintains its main office in Queens, New York and an office in Kabul, Afghanistan.

Programs and Services Provided

The organization's two major program areas include the following

Community Center and Advocacy - A community center located in the heart of the Afghan community in Queens, NY that provides a number of pro bono programs and crisis services to entire Afghan families, women and children including immigration and employment support. Domestic violence counseling and leadership training. The organization also raises awareness that has an effect on policies as they relate to the rights and challenges that women face in Afghanistan; and

Guidance/Support Centers and Shelters - The operations of Family Guidance Centers that provide counseling, mediation and legal aid to women, girls and families who have experienced human rights violations, Children Support Centers that houses children who were previously living with their mothers in prison emergency and long-term Shelters for women and girls who have experienced human rights violations. The Centers and Shelters operate in 13 of Afghanistan's 34 provinces.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditure of federal awards (the Schedule) includes the federal grant activity of WAW under programs of the federal government for the year ending December 31, 2020. The information in the schedule is presented in accordance with the requirements of

Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Because, the Schedule presents only a selected portion of the operations Women for Afghan Women, Inc., it is not intended to and does not present their financial position, changes in net assets, or cash flows.

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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement.

WAW does not charge indirect costs to federal awards, except for 6% to award #19CICET00104-01-00 with the Department of Homeland Security and 10% to award #SAF20019CA0071 with U.S. Department of State.

Tax Exempt Status

The Group is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code in United States and is exempt from income taxes under Income Tax Law in Afghanistan. Accordingly, no provision for federal, state or local income taxes has been recorded.

NOTE C – AWARD DETAILS

Identifying Number	Project Period	Federal Award Amount
SINLEC-19-CA-0266	01-Jun-2019 to 31-Jan-2021	1,706,561
SINLEC-19-GR-0195	01-May-2019 to 30-Apr-2022	2,230,230
SAF20019CA0071	10-Apr-2020 to 15-Feb-2021	38,500
2020-UD-AX-0002	01-Oct-2020 to 30-Sep-2023	450,000
19CICET00104-01-00	01-Oct-2019 to 30-Sep-2021	250,000
Total		\$ 4,675,290

NOTE D – Sub grantee

Department of Homeland Security	19CICET00104-01-00	Riis Settlement Sub grantee	\$ 43,056
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**Women for Afghan Women, Inc
Schedule of Findings and Questioned Costs
For Year Ending December 31, 2020**

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unmodified
 Internal control over financial reporting:
 • Material weakness(es) identified? No
 • Significant deficiency (ies) identified? None reported
 • Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
 • Material weakness(es) identified? No
 • Significant deficiency (ies) identified? None reported
 • Type of auditor's reports issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)? No

Identification of Major Programs and type of auditor's report issued on compliance for each:

AWARD NUMBER	Name of Federal Program of Cluster	Opinion Issued
SINLEC-19-CA-0266	USDOS: Children's Support Center (CSC) for Children of Incarcerated Parents	Unmodified
SINLEC19GR0195	USDOS: Transitional Houses (THs) for Formerly Incarcerated Women and Girls	Unmodified
SAF20019CA0071	USDOS: Education for Leadership in Crisis (ELC II scholars) Undergraduate Scholarships for Afghan Students at AUB	Unmodified
2020-UD-AX-0002	Department of Justice (DOJ) Office on Violence Against Women: Women for Afghan Women Collaborative Project for Survivors of Domestic Violence, Dating Violence, Sexual Assault, and Stalking	Unmodified
19CICET00104-01-00	Department of Homeland Security: Citizenship Instruction for Underserved LPRs in Queens, NY	Unmodified

Dollar Threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes

Section II - Financial Statement Findings

Certain immaterial weaknesses have been identified and reported in a separate Management Letter issued to Women for Afghan Women – Afghanistan.

Section III - Federal Award Findings and Questioned Costs

No findings or questioned costs were identified that required to be reported.

Women for Afghan Women, Inc
Status of Prior Year Audit Findings and Recommendations

Finding 2019-001 Design of Internal Control - Material Weakness

Condition:

Inadequate design of internal controls over the preparation of the financial statements.

Criteria:

AU-C 265 Communicating Internal Control Related Matters Identified in an Audit, COSO Framework

Recommendation 1:

Develop a financial reporting and disclosure checklists for use on an annual and quarterly basis when preparing financial statements for board of directors and external parties.

Recommendation 2:

Document and communicate the financial closing procedures to accounting staff, all program offices and those in charge of governance.

Recommendation 3:

Hire additional personnel (preferably CPA) on a part-time basis with nonprofit, governmental and federal awards experience because new accounting pronouncements will become effective in the future years applicable to the nonprofit financial statements. These pronouncements will be complex in nature.

Management Comments:

Thank you for the other observations. There is no response to that. We will be taking measures to improve the internal controls over preparation of financial reports, among other things.

Current Status: Since WAW did not agree to the auditor's finding and WAW was not specifically required by any agreement terms, we consider the audit findings to be closed.

Finding 2019-002 Cash Management - Compliance

Condition:

Lack of adequate procedures to minimize the time lapse between the drawdown of funds and the expenditure of those funds. Several quarter reimbursements were not wired to Afghanistan timely after deposit.

Criteria:

2 CFR Part 200.305(b) - Program costs must be paid by non-federal entity funds before submitting a payment request.

Recommendation 1:

Wire funds to WAW Afghanistan with 72 hours of receiving deposit for reimbursement.

Recommendation 2:

Board of Directors and executive management oversight of wiring of funds to assure within 72 hours after receipt from federal agency deposit in bank.

Management Comments:

The reimbursement amounts received from INL are WAW's funds, not Federal funds as they are reimbursements for expenses already incurred by WAW's funds. So WAW is not in noncompliance of CFR 200.305, part b. The CFR specifically instructs NFEs to disburse the funds as soon as the funds transfer from the Fed Treasury; in our case, the funds had already been disbursed when we submitted our SF270 requesting reimbursement.

Current Status: Since WAW did not agree to the auditor's finding and WAW used its own funds to disburse program expenses instead of receiving cash advance from federal funds, we consider the audit findings to be closed.