



WOMEN FOR AFGHAN WOMEN

WOMEN FOR AFGHAN WOMEN, INC.

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

For The Year Ending December 31, 2022

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Women for Afghan Women, Inc.

Table of Contents

INDEPENDENT AUDITOR’S REPORT.....	1
Consolidated Statement of Financial Position.....	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses.....	5
Consolidated Statement of Cash Flows.....	6
Notes to the Consolidated Financial Statements	7
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS.....	22
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	24
Consolidated Schedule of Expenditures of Federal Awards	27
Notes to Consolidated Schedule of Expenditures of Federal Awards.....	28
Schedule of Findings and Questioned Costs	30
Status of Prior Year Audit Findings and Recommendations.....	32



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, 2022, 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, 2022, 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.

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 September 28, 2023, 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
September 28, 2023

Women for Afghan Women, Inc
Consolidated Statement of Financial Position
As of December 31, 2022 and 2021

	Note	WAW US	WAW Afghanistan	Eliminating Entries	Consolidated	Consolidated
		2022	2022	2022	2022	2021
ASSETS						
Current assets:						
Cash and Cash Equivalent	<u>4</u>	8,604,704	678,297	-	9,283,001	9,778,399
Accounts Receivable, net	<u>5</u>	148,454	16,568	-	165,022	1,643,712
Advances and Security Deposits	<u>6</u>	-	21,152	-	21,152	13,968
Intra-Entity Receivable	<u>7</u>	-	4,585,576	(4,585,576)	-	-
Grants Receivable	<u>8</u>	675,953	69,900	-	745,853	1,812,852
Prepaid Expenses		53,115	-	-	53,115	21,477
Deposit	<u>21</u>	17,013	-	-	17,013	9,637
Travel credits		4,860	-	-	4,860	128,144
Short-term Investments		19,189	-	-	19,189	20,638
Total Current-Assets		\$ 9,523,289	\$ 5,371,492	\$ (4,585,576)	\$ 10,309,206	\$ 13,428,827
Non-Current Assets:						
Land, Buildings and Equipment	<u>9</u>	15,075	189,523	-	204,598	208,986
Total Assets		\$ 9,538,364	\$ 5,561,016	\$ (4,585,576)	\$ 10,513,805	\$ 13,637,813
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	<u>10</u>	18,213	249,559	-	267,772	269,733
Intra-Entity Payable	<u>7</u>	4,585,576	-	(4,585,576)	-	-
Credit Card Payments payable		9,022	-	-	9,022	3,142
Accrued expenses and other liabilities		14,990	-	-	14,990	17,280
Payroll, tax and related payables	<u>11</u>	2,024	257,244	-	259,268	1,110,500
403(B) Contributions payable/Dental and Vision Withholding	<u>14</u>	3,928	-	-	3,928	4,090
Deferred Revenue	<u>12</u>	79,860	52,367	-	132,227	626,952
PPP Loan	<u>13</u>	-	-	-	-	15,571
Payable to Subgrantees/ Consultants		32,604	-	-	32,604	21,706
Payable to AIRBNB		-	-	-	-	200,000
Total current liabilities		\$ 4,746,217	\$ 559,170	\$ (4,585,576)	\$ 719,811	\$ 2,268,976
Total liabilities						
Net Assets:						
Without Donor Restriction	<u>15</u>	4,478,908	4,907,536	-	9,386,444	9,195,578
With Donor Restriction	<u>16</u>	313,240	94,311	-	407,551	2,173,259
		\$ 4,792,147	\$ 5,001,847	\$ -	\$ 9,793,994	\$ 11,368,836
TOTAL LIABILITIES AND NET ASSETS		\$ 9,538,364	\$ 5,561,016	\$ (4,585,576)	\$ 10,513,805	\$ 13,637,813

See accompanying notes to the consolidated financial statements.

Women for Afghan Women, Inc.
Consolidated Statement of Activities
For Years Ending December 31, 2022, and 2021

	Note	WAW US	WAW Afghanistan	Eliminating Entries	Consolidated	Consolidated
		2022	2022	2022	2022	2021
Operating revenue						
Unrestricted						
Grants and Contributions	<u>17</u>	1,737,457	581,027	-	2,318,484	7,505,570
Admin Revenue		27,092	215,084	-	242,176	816,677
Foreign Exchange (Loss)		796	(138,114)	-	(137,317)	(42,881)
Other Revenue	<u>18</u>	2,480	87,141	-	89,621	31,962
Net Assets released from restrictions	<u>19</u>	2,074,210	6,449,677	-	8,523,887	10,921,185
		\$ 3,842,035	\$ 7,194,815	\$ -	\$ 11,036,851	\$ 19,232,513
Temporarily Restricted						
Grants and Contributions	<u>17</u>	1,751,283	5,006,896	(148,131)	6,610,048	12,550,095
Net Assets released from restrictions	<u>19</u>	(2,074,210)	(6,449,677)	-	(8,523,887)	(10,921,185)
Total revenue and support		\$ 3,519,108	\$ 5,752,034	\$ (148,131)	\$ 9,123,012	\$ 20,861,423
Operating expenses and losses						
Community Center and Advocacy		1,910,709	-	-	1,910,709	793,575
Support Center and shelters		159,647	6,703,526	(96,285)	6,766,888	8,477,105
Management and General		653,997	971,929	(51,846)	1,574,080	1,457,638
Fundraising		438,829	-	-	438,829	335,837
Total Expenditure		\$ 3,163,182	\$ 7,675,455	\$ (148,131)	\$ 10,690,505	\$ 11,064,155
Changes in net assets from operating activity		\$ 355,927	\$ (1,923,421)	\$ -	\$ (1,567,494)	\$ 9,797,267
Non-Operating Activity						
Investment Income	<u>22</u>	(7,347)	-	-	(7,347)	(673)
Changes in net assets from non-operating activity		\$ (7,347)	\$ -	\$ -	\$ (7,347)	\$ (673)
Changes in net assets		\$ 348,579	\$ (1,923,421)	\$ -	\$ (1,574,841)	\$ 9,796,594
Opening Net Asset		4,443,568	6,925,268	-	11,368,836	1,572,242
Closing Net Assets		\$ 4,792,147	\$ 5,001,847	\$ -	\$ 9,793,994	\$ 11,368,836

See accompanying notes to the consolidated financial statements.

Women for Afghan Women, Inc.
Consolidated Statement of Functional Expenses
For Years Ending December 31, 2022 and 2021

	Note	Program Activities		Support Activities		Fundraising	Eliminating Entries	Consolidated	Consolidated
		WAW US	WAW Afghanistan	WAW US	WAW Afghanistan	WAW US		2022	2021
Compensation and related expenses:									
Salaries		1,029,469	2,707,213	405,261	395,940	246,237	(123,502)	4,660,619	6,669,365
Payroll taxes and employee benefits		213,627	1,006,849	79,373	187,212	53,254	(22,607)	1,517,708	624,470
Total compensation and related expenses		\$ 1,243,096	\$ 3,714,062	\$ 484,634	\$ 583,152	\$ 299,491	\$ (146,109)	\$ 6,178,327	\$ 7,293,835
Other Expenses									
Bank charges & processing fees		-	8,923	-	157,973	-	-	166,896	17,773
Repairs and maintenance		-	60,525	-	8,474	-	-	68,999	45,906
Office supplies and expenses		92,542	56,701	56,116	11,690	50,376	-	267,425	244,097
Program supplies & Equipment - Other		20,248	76,297	1,062	981	-	-	98,587	163,746
Program Specific Expenses	23	547,974	1,090,881	-	-	-	-	1,638,855	260,631
Professional fees, and outside contractors		45,552	-	74,028	51,808	80,547	-	251,936	36,316
Printing, postage and delivery		-	21,942	-	1,472	-	-	23,414	20,695
Food, Clothing and Medical Expenses		-	24,278	-	18,908	-	-	43,186	605,557
Rent and Utilities		109,742	273,858	27,526	38,507	6,597	(1,474)	454,756	874,888
Kitchen Supplies		-	255	-	145	-	-	400	13,051
Other supplies/pillow and mattress		-	4,427	-	-	-	-	4,427	26,211
Generator Fuel and maintenance		-	-	-	-	-	-	-	6,020
Heating material		-	20,658	-	2,350	-	-	23,008	21,825
Personal Hygiene		-	6,015	-	-	-	-	6,015	54,212
Telephone, internet and communications		-	78,983	-	13,933	-	-	92,916	172,333
Vehicles and related expenses		-	502,850	-	33,030	-	-	535,880	418,855
Travel, hotels and related expenses		9,765	655,287	2,911	20,847	832	(548)	689,092	473,411
Education and Training		-	45,779	-	5,235	-	-	51,014	117,756
Miscellaneous		-	6,522	-	3,974	-	-	10,496	23,709
Security		-	30,857	-	14,527	-	-	45,384	49,600
Depreciation		1,438	24,426	4,222	2,979	986	-	34,051	28,065
Loss of fixed assets expense		-	-	-	-	-	-	-	88,133
Bad debt Expense		-	-	-	1,944	-	-	1,944	6,778
Board Expenses		-	-	3,498	-	-	-	3,498	-
Interest		-	-	-	-	-	-	-	752
Total Expenses		\$ 827,260	\$ 2,989,464	\$ 169,362	\$ 388,777	\$ 139,338	\$ (2,022)	\$ 4,512,179	\$ 3,770,321
		\$ 2,070,356	\$ 6,703,526	\$ 653,997	\$ 971,929	\$ 438,829	\$ (148,131)	\$ 10,690,505	\$ 11,064,156

See accompanying notes to the consolidated financial statements.

Women for Afghan Women, Inc.
Consolidated Statement of Cash Flows
For Years Ending December 31, 2022 and 2021

	WAW US	WAW Afghanistan	Consolidated	Consolidated
	2022	2022	2022	2021
Cash Flows from Operating Activities				
Change in Net Assets	348,579	(1,923,421)	(1,574,841)	9,796,594
Adjustments to reconcile change in net assets to net cash:				
Depreciation	5,664	27,405	33,069	28,065
Loss of Fixed Assets	-	-	-	88,133
Changes in operating assets and liabilities:				
(Increase)/Decrease Accounts receivable, net	1,495,258	(16,568)	1,478,690	(1,607,852)
(Increase)/Decrease Interagency receivable	-	2,930,331	2,930,331	(6,667,904)
(Increase)/Decrease Grant receivable	1,129,227	(62,229)	1,066,998	(357,003)
(Increase)/Decrease Prepaid expenses	(31,638)	-	(31,638)	(9,132)
(Increase)/Decrease Deposit	(7,376)	-	(7,376)	-
Increase/(Decrease) Accounts payable	(23,813)	21,852	(1,961)	144,396
Increase/(Decrease) Interagency payable	(2,930,331)	-	(2,930,331)	6,667,905
Increase/(Decrease) Accrued expenses and other liabilities	(2,290)	-	(2,290)	(2,720)
Increase/(Decrease) Payroll, tax, and related payables	(8,083)	(843,149)	(851,232)	803,061
Increase/(Decrease) 403(B) Contribution/Dental & Vision Withholding	(162)	-	(162)	4,090
Increase/(Decrease) Credit Card	5,879	-	5,879	725
Increase/(Decrease) Deferred revenue	(198,284)	(296,441)	(494,726)	374,664
(Increase)/Decrease Travel Credits	123,284	-	123,284	(128,144)
Increase/(Decrease) Payable to sub-grantee	10,898	-	10,898	11,663
(Increase)/Decrease Advances and security deposit	-	(7,184)	(7,184)	7,855
(Increase)/Decrease Donated Securities	1,449	-	1,449	(20,638)
Increase/(Decrease) Payable to AIRBNB	(200,000)	-	(200,000)	200,000
Net Cash Flows from Operating Activities	\$ (281,739)	\$ (169,406)	\$ (451,145)	\$ 9,333,757
Cash flows from investing activities:				
Acquisition of land, building and equipment	(10,415)	(18,266)	(28,681)	(169,527)
Net cash used for investing activities	\$ (10,415)	\$ (18,266)	\$ (28,681)	\$ (169,527)
Cash flows from financing activities				
New loan and notes payable borrowings	-	-	-	-
Loan Repayment	(15,570)	-	(15,570)	(210,838)
Net cash provided by financing activities	\$ (15,570)	\$ -	\$ (15,570)	\$ (210,838)
Net increase (decrease) in cash and cash equivalents	\$ (307,724)	\$ (187,672)	\$ (495,396)	\$ 8,953,392
Cash and cash equivalents, at the beginning of the year	8,912,429	865,970	9,778,398	825,007
Cash and cash equivalents, at the end of the year	\$ 8,604,704	\$ 678,297	\$ 9,283,001	\$ 9,778,399

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 centers in Queens, New York and Alexandria, Virginia. The primary purpose of WAW-Afghanistan is to secure and protect the rights of deprived Afghan women and girls through the operation of legal centers and emergency & long-term care shelters for children in 3 provinces as of December 31, 2022. WAW maintains its offices in Queens, NY and since March 2022, also in Alexandria, VA, and an office in Kabul Afghanistan.

Major source of income: The Group receives its support from a combination of the U.S. Department of State, NY City, NY State, Foreign Government Grants, United Nations subdivisions, donations from Individuals and Foundations.

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

a. Community Center & Advocacy: The organization has two community centers in the US. One community center is located in the heart of the Afghan community in Queens, NY and a new community center was opened in Alexandria, VA in 2022. The community centers provide 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. Support Centers and Shelters: In 2022, WAW provided shelter and around-the-clock services to children who were previously living with their mothers in prison and offered humanitarian assistance to at-risk women and their families. In addition, WAW served thousands of internally displaced individuals and refugee returnees across Afghanistan and provided them with services such as need assessment, counseling, community mobilization, shelters, medical services, psycho-social services, and vocational training.

In 2022, WAW also began humanitarian work (food distribution) in Afghanistan using Foundation Grants and Contributions.

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.

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.

Property and equipment: Purchased property (consisting of furniture and fixtures, equipment and vehicle) 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. 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, those expenses whose purchase values are equal to or more than USD 1,000 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 2022.

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.

Revenue Recognition: 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.

Contributions: 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 and Virginia Community Centers, and those related to Program activities specific to Afghanistan), and supporting services benefited. Such allocations are determined by management based on estimated time and effort of WAW personnel.

Expense
Fundraising
Salaries

Method of Allocation
Time and effort
Time and effort

Program	Program expense comprise costs associated with WAW US and portion of WAW Afghanistan program costs, allocated based on Time & 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 or fundraising, 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: The FASB Topic 820, under the FASB ASC defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard provides a consistent definition of fair value, which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level I - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market;

Level II - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed; and

Level III - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting Organization. Unobservable inputs reflect the reporting WAW's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. WAW has segregated all financial assets and liabilities that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value, except for those investments that are measured at fair value using the net asset value ("NAV") per share practical expedient.

All Donated Securities held at year end are measured as Level I with observable active markets and are broken out as follows:

Securities	<u>2022</u>	<u>2021</u>
Facebook (Meta)	3,249	9,081
Athene Holding	4,338	5,000
JP Morgan Chase	4,291	5,067
APPLE INC COM	4,548	-
Schwab strategic TR US Broad MKT ETF	986	-
Abbvie	1,778	1,489
Total	\$ 19,189	\$ 20,638

Foreign currency translation: Foreign currency assets (i.e., foreign bank accounts) are translated into US dollar equivalents based on year-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, 2022, WAW had an amount of \$9,283,001 in the bank and cash accounts. 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 general use, except for the amount of \$127,367 in deferred grants. This amount for temporary restricted grants, was received in 2022.

Moreover, there was no additional board designated net assets in 2022, and there were \$100,000 board designated net assets as of December 31, 2022, which were designated in fiscal year 2021 for emergency use, see **Note 15**.

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

	<u>2022</u>	<u>2021</u>
Cash & Cash Equivalent	9,283,001	9,778,399
Accounts Receivable	165,022	1,643,712
Grants Receivable	745,853	1,812,852
Investments	19,189	20,638
Total	\$ 10,213,065	\$ 13,255,601

Other disclosures according to FASB ASC 958-210-50-2:

There were no special borrowing arrangements during the 2022 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.

As of December 31, 2022, 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. (The Board adopted an investment policy in January 2023.)

All grants reimbursement receivable amounts are due, and are expected to be received, within a 1 month to 3 years' time period.

4. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
WAW-US	8,604,704	8,912,429
WAW Afghanistan	678,297	865,970
Total	\$ 9,283,001	\$ 9,778,399

4.1. WAW US

Cash at Bank	8,604,704	8,912,429
Total	\$ 8,604,704	\$ 8,912,429

4.2. WAW Afghanistan

Cash in Hand	1,656	10,647
Cash at Bank	676,642	855,322
Total	\$ 678,297	\$ 865,970

5. Accounts Receivable

The following amounts make the total of the accounts receivable as of December 31, 2022, which were then deposited into the WAW bank account in the subsequent months.

	<u>2022</u>	<u>2021</u>
WAW US	148,454	1,643,712
WAW Afghanistan	16,568	-
	\$ 165,022	\$ 1,643,712

5.1. WAW US

	<u>2022</u>	<u>2021</u>
Receivables from Vendors	2,488	4,183
Advances to Employees	-	282
Net Donations from NFG	139,357	212,658
Facebook General Support Donations	6,344	1,426,523
Other	264	67
Total Amount	\$ 148,454	\$ 1,643,712

5.2. WAW Afghanistan

	<u>2022</u>	<u>2021</u>
Accounts Receivable	16,568	-
	\$ 16,568	-

6. Advances and Security Deposits

The following amounts make up the total of the advances and security deposits as of December 31, 2022.

	<u>2022</u>	<u>2021</u>
Advance Against Expenses AFN	6,648	11,366
Advance Against Expenses USD	12,792	674
Security Deposits	1,712	1,927
Total	\$ 21,152	\$ 13,968

7. 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, The Swedish International Development Cooperation Agency – among others. Similarly, WAW Afghanistan's bank account was the designated bank account for the Colombo Plan Secretariat funds until July 2021; a number of the Colombo Plan Secretariat grants contribute funds towards the expenses of key personnel based at WAW US. After July 2021 Colombo Plan Secretariat chose WAW US bank account as the designated bank account.

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 2022, WAW US received the following funds from the sources listed below:

<u>Description</u>	<u>Amount</u>
Due to WAW-Afghanistan/Due from WAW US opening balance January 1, 2022	7,515,907
Total donations received in WAW-US for WAW Afghanistan during 2022	1,853,638
Total fund transfer by WAW-US to WAW Afghanistan during 2022	(4,761,602)
Total offset with due from WAW Afghanistan /due to WAW-US during 2022	(150,280)
Net Balance due to WAW Afghanistan/Due from WAW US	\$ 4,457,663
Billed to Colombo Plan by WAW-US on behalf of WAW Afghanistan as of December,31 2022	127,912
Due to WAW Afghanistan/Due from WAW-US closing balance December 31, 2022	\$ 4,585,576

The net due to WAW AFG amount as of December 31, 2022, includes the grant billed to Colombo Plan Secretariat in 2022, contributions, and grants received in WAW US for use by WAW AFG under the Afghanistan Crisis campaign.

8. 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.

	2022	2021
WAW US	675,953	1,805,181
WAW Afghanistan	69,900	7,671
Total	\$ 745,853	\$ 1,812,852

8.1. WAW US

	2022	2021
DYCD	313,994	207,037
Asian American Federation (AAF)	7,699	18,445
Queen Borough President Office	-	1,230
Minkwon	-	6,000
Colombo Plan	127,912	569,488
NY Foundation for Elder Care	-	10,000
NYS Office of Children and Family	9,818	5,415
OVW	39,771	25,215
USCIS MAIN	42,298	21,995
Uber Technologies	-	50,000
UJA	816	817
Van Ameringen 2022-2024	75,000	150,000
ORR	48,758	-
NYS	9,860	-
USDOS INL	-	739,538
Other	26	-
Total	\$ 675,953	\$ 1,805,181

8.2. WAW Afghanistan

	2022	2021
UNHCR	69,900	-
American University of Beirut	-	7,671
Total	\$ 69,900	\$ 7,671

9. Land, Buildings and Equipment

	2022	2021
WAW US	15,075	10,324
WAW Afghanistan	189,523	198,662
Total	\$ 204,598	\$ 208,986

9.1. WAW US

Cost	2022	2021
Computer Related Equipment	37,959	30,732
Other Equipment	12,952	12,952
Furniture and Fixtures	9,419	6,232
Total	\$ 60,331	\$ 49,916
Less: Accumulated Depreciation	(45,256)	(39,592)
Total	\$ 15,075	\$ 10,324

9.2.WAW Afghanistan

Cost	2022	2021
Machinery and Equipment	95,222	76,957
Vehicle	156,600	156,600
Total	\$ 251,822	\$ 233,557
Less: Accumulated Depreciation	(62,299)	(34,894)
Total	\$ 189,523	\$ 198,662

10. Accounts Payable

This represents vendor invoices for normal operating expenses that remain unpaid for the year ended December 31, 2022.

	2022	2021
WAW US	18,213	42,026
WAW Afghanistan	249,559	227,707
Total Amount	\$ 267,772	\$ 269,733

10.1. WAW US

	2022	2021
Accounts Payable	18,213	42,026
Total	\$ 18,213	\$ 42,026

10.2. WAW Afghanistan

	2022	2021
Accounts Payable - AFN	179,079	147,524
Accounts Payable - USD	70,480	80,183
Total	\$ 249,559	\$ 227,707

11. Payroll, taxes and related payables

The following amounts make up the total of the payroll liabilities and taxes payable as of December 31, 2022.

	2022	2021
WAW US	2,024	10,107
WAW Afghanistan	257,244	1,100,393
Total Amount	\$ 259,268	\$ 1,110,500

11.1. WAW US

	2022	2021
Accrued payroll liabilities	2,024	10,107
Total	\$ 2,024	\$ 10,107

11.2. WAW Afghanistan

	2022	2021
Payroll Liabilities	187,244	1,055,727
Taxes Payable	70,000	44,666
Total	\$ 257,244	\$ 1,100,393

12. Deferred Revenue

Deferred revenue represent funds received but not utilized as of December 31, 2022. These are related to respective donors as follows:

	<u>2022</u>	<u>2021</u>
WAW US	79,860	278,144
WAW Afghanistan	52,367	348,808
Total Amount	\$ 132,227	\$ 626,952

12.1. WAW US

	<u>2022</u>	<u>2021</u>
Mother Cabrini Health Foundation USP127: COVID Grant	-	75,000
Mother Cabrini Health Foundation USP128: Senior Program Grant	-	75,000
Mother Cabrini Health Foundation USP162: Senior Program Grant	75,000	-
Uber: USP113 (travel credit)	4,860	49,327
Airbnb: USP100 (travel credit)	-	78,817
Total	\$ 79,860	\$ 278,144

12.2. WAW Afghanistan

	<u>2022</u>	<u>2021</u>
Deferred Revenue – UNTF	52,367	80,813
Deferred revenue UNHCR	-	229,184
Deferred Revenue – UNW	-	38,811
Total	\$ 52,367	\$ 348,808

13. PPP Loan

In 2020 WAW US received the loan under 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. In June 2021 portion of PPP loan in the amount of \$166,451 was forgiven, along with \$10,000 EILD are reported in the statement of activities as Other Government grants. During 2021-2022 WAW US fully repaid the remaining PPP loan and the balance as of December 31, 2022, is \$0.

14. Employee Benefit Plan (Tax Deferred 403B Contributions)

Retirement benefits coverage is available for all WAW US employees, provided through a 403 (b) 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 \$1,561 and \$2,548 for fiscal years 2022 and 2021, respectively.

No liability amounts are recorded or recognized on the Statement of Financial Position. As of the issuance of these financial statements, WAW US was not contributing to the employee 403(b) plan; a future obligation match or contribution to the employee 403(b) plan has not been discussed or approved by the

board of directors.

The balance of \$3,928 represents the amount withheld from employees and payable to the plan provider.

WAW-Afghanistan currently do not have employee benefit plan for its employees.

15. Net Assets – Without Donor Restriction

The board of directors did not designate any additional funds in the fiscal year 2022. There were \$100,000 board designated net assets as of December 31, 2022, for emergency use which were designated in fiscal year 2021.

16. Net Assets – With Donor Restriction

Net assets with donor restrictions are available for the following purposes for the years ended December 31, 2022, and 2021, respectively.

	<u>2022</u>	<u>2021</u>
WAW US	313,240	636,166
WAW Afghanistan	94,311	1,537,092
Total Amount	\$ 407,551	\$ 2,173,259

16.1. WAW US

	<u>2022</u>	<u>2021</u>
PRBB	5,000	11,200
NYFE	780	20,782
MARBLE	-	1,812
Ackerley Family Foundation	24,000	24,000
Airbnb	-	70,000
Dr Bronner Foundation	-	10,000
Islamic Relief	-	20,404
MINKWON	6,000	6,000
Impact Assets/ Beacon Fund	-	100,000
Uber Technology	-	50,000
UJA	-	26,469
Van Ameringen 2022 - 2024	150,000	225,000
NYCT	46,960	-
Open Society Foundation	75,000	-
Zakat Fund	5,000	5,000
CCNSF	500	500
Chanel	-	65,000
Total	\$ 313,240	\$ 636,166

16.2. WAW Afghanistan

	<u>2022</u>	<u>2021</u>
Flora Fund	-	10,000
RKF Rnd	2,423	2,423
Tomberg Fund	4,648	8,347
Sherrie-Ann donation	2,900	7,700
Hospital Survivors multiple donations	1,012	1,012
Emergency Education Fund	30,026	31,605
Toni He Scholarship Fund	-	2,525
Afghanistan Crisis Campaign funds	53,303	1,473,480
Total	\$ 94,311	\$ 1,537,092

17. Grants and 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. Contributions – AFG Crisis, Foundations – AFG Crisis, Grant Income – AFG Crisis represent income received by WAW from the Afghanistan Crisis Campaign.

	<u>2022</u>	<u>2021</u>
WAW US - Unrestricted	1,737,457	3,809,057
WAW US - Temporarily Restricted	1,751,283	1,804,451
Total WAW US	\$ 3,488,740	\$ 5,613,508
WAW Afghanistan - Unrestricted	581,027	3,696,513
WAW Afghanistan - Temporarily Restricted	5,006,896	11,206,026
Total WAW Afghanistan	\$ 5,587,923	\$ 14,902,539
Eliminations	(148,131)	(460,383)
Total Amount	\$ 8,928,532	\$ 20,055,664

17.1. WAW US

	<u>2022</u>	<u>2021</u>
Contributions	1,150,453	496,702
Contributions - AFG Crisis	216,672	2,347,368
Foundation Grants	1,227,343	750,504
Foundation Grants - AFG Crisis	97,217	847,158
International Institutions	48,453	179,978
Federal Grants	372,277	529,234
State Grants	93,412	24,041
City Grants	270,727	240,587
Other Government grants (Note 13)	5,574	176,451
In Kind Donations	6,612	21,486
Total	\$ 3,488,741	\$ 5,613,508

17.2. WAW Afghanistan

	<u>2022</u>	<u>2021</u>
Contributions	-	45,426
Contributions – AFG Crisis	-	3,696,513
Grant Income – AFG Crisis	732,951	1,473,480
Federal Grants	1,068,302	3,222,001
International Development Institutions	121,493	2,553,849
International Governments' Development	-	162,266
UN Agencies	3,664,552	3,734,004
Foundation Grants	625	15,000
Total	\$ 5,587,923	\$ 14,902,539

17.3. Eliminating Entries

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

	<u>2022</u>	<u>2021</u>
Federal Grants	102,375	179,978
Development Institutions	45,757	280,405
Total	\$ 148,131	\$ 460,383

18. Other Income

Other Income represents funds received for vehicle repair of Norwegian Refugee Council Vehicles and gains realized from proceeds of disposal of WAW vehicles.

19. Net Assets Released from Restriction

Net assets released from restriction for the year ended December 31, 2022:

	<u>2022</u>	<u>2021</u>
WAW US	2,074,210	1,214,561
WAW Afghanistan	6,449,677	9,706,623
Total Amount	\$ 8,523,887	\$ 10,921,185

19.1. WAW US

	<u>2022</u>	<u>2021</u>
ORR	44,325	-
Roche-Relief	-	22,447
USCIS	105,819	133,897
Department of State CSC and TH	101,827	280,606
Department of State OVW	112,167	109,163
State Grants	93,412	24,041
New York City	270,727	240,087
Foundation	1,300,176	224,340
Development Institutions	45,757	179,979
Total	\$ 2,074,210	\$ 1,214,561

19.2. WAW Afghanistan

	<u>2022</u>	<u>2021</u>
CP	121,493	2,553,836
AUB	-	6,668
Rockefeller	-	8,055
Emergency Education Fund	1,593	11,282
Toni He Scholarship Fund	3,150	-
SIDA	-	162,265
Flora Foundation	10,000	-
Sherrie-Ann donation/ED Assistant Hiring	4,800	-
Tomberg	3,699	15,153
Afghanistan Crisis Campaign funds	1,574,417	-
UNTF	270,694	227,631
UN WOMEN	-	1,001,783
UNHCR	3,393,858	2,504,610
USDOS	1,065,973	3,215,340
Total	\$ 6,449,677	\$ 9,706,623

20. Related party transactions and balances

In 2021 due to the crisis and fall of Afghanistan, the banking system did not function for weeks, and the organization faced severe cash flow problem and thus WAW Afghanistan received \$68,500 as a temporary loan from the Executive Director. In 2022, WAW US paid \$68,500 on behalf of WAW Afghanistan to Executive Director as repayment of the loan WAW Afghanistan received from her in 2021.

21. Lease Obligations

WAW US has the following schedule of minimum future lease commitments for operating leases having initial or remaining non-cancelable lease terms greater than one year as of December 31, 2022.

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

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

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)

Virginia Community Center rent schedule, and lease renewal period:

March 26, 2022 through March 25, 2023 – Annual Rent \$59,685.96 (\$4,973.83 monthly)

March 26, 2023 through March 25, 2024 – Annual Rent \$61,476.54 (\$5,123.04 monthly)

March 26, 2024 through March 25, 2025 – Annual Rent \$63,320.83 (\$5,276.74 monthly)

March 26, 2025 through March 25, 2026 – Annual Rent \$65,220.46 (\$5,435.04 monthly)

March 26, 2026 through March 25, 2027 – Annual Rent \$67,177.07 (\$5,598.09 monthly)

WAW US occupancy expense: Rent expense, included in occupancy on the statement of functional expenses, amounted to \$108,498 and \$62,606 for the years ended December 31, 2022 and 2021,

respectively.

WAW US has a rental security deposit balance as of December 31, 2022 was \$17,013.

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

22. INVESTMENT INCOME

As of December 31, 2022, WAW had an Investment Loss of \$7,347. The breakdown is as follows:

	<u>2022</u>	<u>2021</u>
Interest Income	-	44
Unrealized Gain (Loss)	(7,681)	(848)
Investment fee	(40)	-
Dividend Income	374	131
Total Amount	\$ (7,347)	\$ (673)

23. Program Specific Expenses

Program specific expenses include direct expenses for WAW clients such as food packages distribution, resettlement expenses, emergency housing assistance, food and refreshments, cash distribution for purchase of solar panels, medical assistance, clothing, and dignity kits in Afghanistan, and AIRBNB housing and UBER rides, cash assistance for clients, subgrantee expenses in US.

24. Subsequent Events

In connection with the preparation of the financial statements, the management has evaluated subsequent events from December 31, 2022, through September 18, 2023, which was the date the financial statements were available for issuance and concluded that no additional disclosures are required.

After the Taliban came to power in Afghanistan in August 2021, WAW Afghanistan was ordered by the de facto authorities/Taliban 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 US government decision to terminate the grant agreement as per the notice of termination was "on the basis that the program is no longer feasible given the current operational and security environment in Afghanistan."
- The partnership with UN Women has ended.
- The partnership with Colombo Plan has ended at the end of January 2023. The partnership's shelters and Family Guidance Centers have already closed.
- The UNHCR partnership is still ongoing.
- The UN Trust Fund program ended in April 2023.

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.

The Board adopted an investment policy for investment of excess cash in January 2023.

The 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, 2022, 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 September 28, 2023.

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
September 28, 2023



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, 2022. 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, 2022.

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, 2022, and have issued our report thereon dated September 28, 2023, 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
September 28, 2023

Women for Afghan Women, Inc.
Consolidated Schedule of Expenditures of Federal Awards
For Year Ending December 31, 2022

FEDERAL GRANTOR (PASS- THROUGH GRANTOR)	AGENCY OR PASS- THROUGH AWARD NUMBER	CFDA	TOTAL EXPENDITURE
U.S. Department of State	SINLEC19GR0195	19.703	\$ 127,482
U.S. Department of State	SINLEC21CA3098	19.703	\$ 941,487
U.S. Department of State	SAF20019CA0071	19.501	\$ 2,329
US Department of Justice, Office on Violence Against Women	2020-UD-AX-0002	16.889	\$ 112,167
Department of Homeland Security	21CICET00174-01-00	97.010	\$ 109,526
Department of Health and Human Services Administration for Children and Families	90RE0304-01-00	93.576	\$ 32,941
Department of Health and Human Services Administration for Children and Families	90ZN0006-01-00	93.576	\$ 15,817
Total			\$ 1,341,750

Women for Afghan Women, Inc.
Notes to Consolidated Schedule of Expenditures of Federal Awards
For Year Ending December 31, 2022

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 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 expand Afghan community through the operations of a bustling community center in Queens, New York and Alexandria, Virginia. 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 children in 3 provinces of Afghanistan. WAW maintains its offices in Queens, NY, since March 2022, also in Alexandria, VA, and an office in Kabul Afghanistan.

Programs and Services Provided

The organization's two major program areas include the following:

Community Center and Advocacy - Community centers located in the heart of the Afghan community in Queens, NY and Alexandria, VA, 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

Support Centers and Shelters - In 2022, WAW provided shelter and around-the-clock services to children who were previously living with their mothers in prison and offered humanitarian assistance to at-risk women and their families. In addition, WAW served thousands of internally displaced individuals and refugee returnees across Afghanistan and provided them with services such as need assessment, counseling, community mobilization, shelters, medical services, psycho-social services, and vocational training.

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, 2022. 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 as to reimbursement.

WAW does not charge indirect costs to federal awards, except for 6% to award #21CICET00174-01-00 with Department of Homeland Security and 10% for award #SAF20019CA0071 with U.S. Department of State, #90RE0304-01-00 and #90ZN0006-01-00 with Department of Health and Human Services Administration for Children and Families.

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
SINLEC19GR0195	01-May-2019 to 30-Apr-2022	2,230,230
SINLEC21CA3098	01-Feb-2021 to 17-Aug-2022	4,095,376
SAF20019CA0071	10-Apr-2020 to 15-Feb-2021	38,500
2020-UD-AX-0002	01-Oct-2020 to 30-Sep-2023	450,000
21CICET00174-01-00	01-Oct-2021 to 30-Sep-2023	250,000
90RE0304-01-00	30-Sept-2022 to 29-Sep-2025	600,000
90ZN0006-01-00	30-Sept-2022 to 29-Sep-2025	900,000
Total		\$ 8,564,106

NOTE D – Sub grantee

Department of Homeland Security	21CICET00174-01-00	Riis Settlement Sub grantee	\$ 44,039
US Department of Justice, Office on Violence Against Women	2020-UD-AX-0002	Connect Sub grantee	\$ 9,675

Women for Afghan Women, Inc
Schedule of Findings and Questioned Costs
For Year Ending December 31, 2022

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
SINLEC19GR0195	USDOS: Transitional Houses (THs) for Formerly Incarcerated Women and Girls	Unmodified
SINLEC21CA3098	USDOS: Children's Support Center (CSC) for Children of Incarcerated Parents	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
21CICET00174-01-00	Department of Homeland Security: Citizenship Instruction for Underserved LPRs in Queens, NY	Unmodified
90RE0304-01-00	Department of Health and Human Services: Culturally Specific Support Services to Afghan Evacuees in the NY and DMV Areas	Unmodified
90ZN0006-01-00	Department of Health and Human Services: Employment Engagement Services to Afghan Evacuees in the DMV Area	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 separate Management Letters issued to Women for Afghan Women US and 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

There were no open audit findings from prior year audits.