



WOMEN FOR
AFGHAN WOMEN

Independent Auditor's Report on Consolidated Financial Statements of WOMEN FOR AFGHAN WOMEN, INC.

For the year ended December 31, 2019



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Independent Auditors' Report

To the Board of Directors of Women for Afghan Women, Inc.
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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, 2019, and the Consolidated related statements of activities, cash flows and functional expenses 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 statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We did not audit the financial statements of Women for Afghan Women, Inc US, which statements reflects total assets of USD 1,480,490 as of December 31, 2019, and total support and revenues of USD 1,173,646 for the year then ended. Those statements were audited by other auditors, Jones and Company, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Women for Afghan Women Inc, US is based solely on the report of the other auditors. 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 Consolidated 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, based on our audit and the report of the other auditors, the Consolidated financial statements refer 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, 2019, and the Consolidated changes in their net assets and their 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 May 09, 2021, on our consideration of Women for Afghan Women-Afghanistan's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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-Afghanistan's internal controls 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-Afghanistan's internal control over financial reporting and reporting.



Grant Thornton Afghanistan
Chartered Accountants
Kabul, Afghanistan

Date: May 09, 2021

WOMEN FOR AFGHAN WOMEN, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019
(With Summarized Comparative Financial Information As Of December 31, 2018)

	Notes	31-Dec-19			31-Dec-18	
		WAW-US	WAW - Afghanistan	Eliminating Entries	Consolidated	Consolidated
		US\$			US\$	
ASSETS						
Current Assets						
Cash and cash equivalents	4	604,730	425,064	-	1,029,794	762,754
Accounts receivable, net		2,110	-	-	2,110	-
Advances and Security Deposits		-	11,845	-	11,845	-
Interagency receivable		-	531,804	(531,804)	-	-
Grant receivable	5	767,370	721,026	(404,302)	1,084,094	1,756,314
Pledges receivable		56,078	-	-	56,078	32,403
Prepaid expenses		29,656	-	-	29,656	49,769
Deposit		9,782	-	-	9,782	13,289
Total Current Assets		1,469,726	1,689,740	(936,106)	2,223,359	2,614,529
Non-Current Assets						
Land, buildings and equipment, net	6	10,764	115,667	-	126,431	7,772
Investments, at fair market value		-	-	-	-	-
Investments, at cost		-	-	-	-	-
Cash and cash equivalents - restricted for endowment		-	-	-	-	-
		10,764	115,667	-	126,431	7,772
Total Assets		1,480,490	1,805,407	(936,106)	2,349,790	2,622,301
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts payable	7	9,746	102,622	-	112,368	165,273
Due to Afghanistan Office		936,106	-	(936,106)	-	-
Credit Cards payments payable		6,981	-	-	6,981	-
Accrued expenses and other liabilities	8	192	8,531	-	8,723	2,806
Payroll, sales tax and related payables		9,693	-	-	9,693	326,994
403B Contributions Payable		4,650	-	-	4,650	-
Deferred revenue	9	11,553	599,501	-	611,054	234,388
Credits		(820)	-	-	(820)	-
Total Current Liabilities		978,102	710,655	(936,106)	752,650	729,461
Long Term Liabilities		-	-	-	-	-
Total Liabilities		978,102	710,655	(936,106)	752,650	729,461
Net Assets						
Without donor restrictions	10	464,193	1,094,752	-	1,558,945	1,847,164
With donor restrictions	11	38,195	-	-	38,195	45,676
		502,388	1,094,752	-	1,597,140	1,892,840
TOTAL LIABILITIES AND NET ASSETS		1,480,490	1,805,407	(936,106)	2,349,790	2,622,301

See accompanying notes to consolidated financial statements

WOMEN FOR AFGHAN WOMEN, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Financial Information As Of December 31, 2018)

	Notes	31-Dec-19			31-Dec-18	
		WAW-US	WAW - Afghanistan	Eliminating Entries	Consolidated	
		US\$			US\$	
Operating Activities:						
Unrestricted						
Grant Contributions	12	964,885	7,317,279	(235,927)	8,046,237	8,404,769
Honarium Income		395	-	-	395	2,450
Fiscal Sponsor Income		-	-	-	-	6,050
Junior Board Income		-	-	-	-	370
Special events: (Integral and Ongoing)						
<i>Gala</i>		104,841	-	-	104,841	169,313
<i>Other fundraising Events - NONGALA</i>		6,242	-	-	6,242	-
Administrative Fee - Revenue		97,283	-	-	97,283	98,059
Foreign Exchange Loss		-	(19,903)	-	(19,903)	(5,611)
Other revenue		-	128,947	-	128,947	43,570
		1,173,646	7,426,323	(235,927)	8,364,042	8,718,969
Temporarily Restricted						
Government Grants and Contributions		763,349	7,317,282	-	8,080,631	6,751,067
Net assets released from restrictions		(763,349)	(7,317,282)	-	(8,080,631)	(6,751,067)
		-	-	-	-	-
Total revenue and support		1,173,646	7,426,323	(235,927)	8,364,042	8,718,969
Operating Expenses and losses:						
Community Center & Advocacy		796,848	-	-	796,848	1,100,151
Guidance/Support Centers and Shelters		-	6,270,552	(94,371)	6,176,182	5,989,388
Management and general		441,138	1,061,673	(141,556)	1,361,255	1,303,615
Fundraising		329,071	-	-	329,071	325,306
Total Expenses		1,567,057	7,332,226	(235,927)	8,663,356	8,718,460
Change in net assets from operating activities		(393,411)	94,098	-	(299,313)	509
Non-operating Activities:						
Interest income		14	-	-	14	994
Interest expense		(1)	-	-	(1)	-
		13	-	-	13	994
Change in net assets from Non-operating activities		13	-	-	13	994
Change in Net Assets		(393,398)	94,098	-	(299,300)	1,503
Adjusted Net Assets, December 31, 2018	16	895,785	1,000,655	-	1,896,440	1,889,039
Net Assets, December 31, 2019		502,388	1,094,752	-	1,597,140	1,890,542

See accompanying notes to consolidated financial statements

WOMEN FOR AFGHAN WOMEN, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Financial Information As Of December 31, 2018)

	31-Dec-19						31-Dec-18			
	Program Activities			Support Activities			Total Operating Expenses	Eliminating Entries	Consolidated	Consolidated
	WAW-US	WAW-Afghanistan	Total Program Activities	WAW US General & Administrative	WAW Afg General & Administrative	WAW US Fundraising				
	----- US\$ -----									US\$
Compensation and related expenses:										
Salaries	457,603	3,330,638	3,788,241	285,541	734,770	142,082	4,950,634	(176,343)	4,774,291	4,720,324
Payroll taxes and employee benefits	128,227	211,577	339,804	80,013	55,439	39,813	515,069	(44,720)	470,349	670,652
Total compensation and related expenses	585,830	3,542,215	4,128,045	365,554	790,209	181,895	5,465,702	(221,063)	5,244,639	5,390,977
Other Expenses										
Bank charges & processing fees	-	-	-	-	28,116	-	28,116	-	28,116	18,980
Celebrating International Days	-	20,039	20,039	-	-	-	20,039	-	20,039	12,282
Consultant/ Advisor	-	-	-	-	6,615	-	6,615	-	6,615	57,582
Depreciation/ Amortization	-	28,151	28,151	2,691	766	-	31,608	-	31,608	-
Education and Training	-	148,973	148,973	-	77,099	-	226,072	-	226,072	199,292
Food, Clothing and Medical Expenses	-	789,093	789,093	-	18,839	-	807,932	-	807,932	703,248
Gala Event Expenses	-	-	-	-	-	74,417	74,417	-	74,417	101,516
Generator Fuel and maintenance	-	9,958	9,958	-	63	-	10,021	-	10,021	6,123
Heating material	-	67,848	67,848	-	3,374	-	71,222	-	71,222	79,459
Insurance	-	-	-	-	-	-	-	-	-	3,000
Kitchen Supplies	-	9,247	9,247	-	-	-	9,247	-	9,247	9,601
Inter-organizational Expenses	-	-	-	-	6,870	-	6,870	(6,870)	-	-
Miscellaneous	-	35,879	35,879	-	8,743	-	44,623	-	44,623	62,192
Office supplies and expenses	44,342	90,721	135,063	30,399	14,898	8,787	189,147	(7,994)	181,153	130,749
Other supplies pillow mattress	-	45,048	45,048	-	-	-	45,048	-	45,048	26,750
Personal Hygiene	-	75,722	75,722	-	-	-	75,722	-	75,722	40,617
Printing, postage and delivery	-	13,711	13,711	-	-	-	13,711	-	13,711	7,224
Professional fees, and outside contractors	13,871	-	13,871	11,213	32,092	58,400	115,576	-	115,576	153,700
Program Expenses-Other	69,619	-	69,619	-	-	-	69,619	-	69,619	18,126
Program supplies & Equipment - Other	-	-	-	-	-	-	-	-	-	135,257
Rent and Utilities	50,670	754,318	804,988	31,281	41,111	5,572	882,951	-	882,951	979,476
Repairs and maintenance	-	37,742	37,742	-	-	-	37,742	-	37,742	32,682
Security	-	74,814	74,814	-	-	-	74,814	-	74,814	93,878
Telephone, internet and communications	-	81,570	81,570	-	9,829	-	91,399	-	91,399	82,951
Travel, hotels and related expenses	32,516	106,138	138,654	-	5,781	-	144,435	-	144,435	64,206
Vehicles and related expenses	-	339,368	339,368	-	17,270	-	356,638	-	356,638	308,592
	211,018	2,728,338	2,939,356	75,584	271,465	147,176	3,433,580	(14,864)	3,418,717	3,327,483
Total Expenses	796,848	6,270,552	7,067,400	441,138	1,061,673	329,071	8,899,283	(235,927)	8,663,356	8,718,460

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See accompanying notes to consolidated financial statements

WOMEN FOR AFGHAN WOMEN, INC.
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Financial Information As Of December 31, 2018)

	31-Dec-19		31-Dec-18	
	WAW-US	WAW - Afghanistan	Consolidated	Consolidated
	US\$			US\$
Cash Flows from Operating Activities				
Change in Net Assets	(393,398)	94,098	(299,300)	1,504
Adjustments to reconcile change in net assets to net cash from operating activities:	4,729	1,172	5,901	-
Depreciaion	2,691	-	2,691	-
Changes in:				
Accounts receivable, net	(1,910)	-	(1,910)	-
Interagency receivable	144,987	(531,804)	(386,817)	(476,285)
Grant receivable	4,110	577,066	581,176	(1,323,819)
Pledges Receivable	(23,675)	-	(23,675)	(36,532)
Prepaid expenses	(14,656)	-	(14,656)	-
Deposit	-	26,331	26,331	(21,953)
Accounts payable	1,007	-	1,007	(4,446)
Due to SIDA Kabul	622,848	-	622,848	1
Accrued expenses and other liabilities	4,799	(514,689)	(509,889)	604,105
Payroll, sales tax and related payables	(28)	-	(28)	-
Dental & Vision Withholding	8,785	-	8,785	-
CreditCard	4,650	-	4,650	-
Deferred revenue	11,554	362,945	374,499	234,388
Credits	(820)	-	(820)	-
Net Cash Flows from Operating Activities	375,675	15,118	390,793	(1,023,037)
Cash flows from Investing Activities:				
Acquisition of land, building and equipment	(11,224)	(115,667)	(126,891)	(1,320)
Net cash used for Investing Activities	(11,224)	(115,667)	(126,891)	(1,320)
Cash flows from Financing Activities	-	-	-	-
Net cash provided by Financing Activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	364,451	(100,549)	263,902	(1,024,357)
Cash and Cash Equivalents, beginning of year	240,279	525,614	765,893	1,787,111
Cash and Cash Equivalents, end of year	604,730	425,064	1,029,795	762,754

See accompanying notes to consolidated financial statements

WOMEN FOR AFGHAN WOMEN, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Financial Information For The Year December 31, 2018)

1 ABOUT WAW

Group: Women for Afghan Women, Inc. (referred to as Group) 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 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 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 a satellite office in Washington, DC U.S. 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, 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 of Afghanistan's 34 provinces.

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

2.1 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.

WOMEN FOR AFGHAN WOMEN, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Financial Information For The Year December 31, 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 donor restrictions for specific operational purposes from time to time.

Net Assets with donor restrictions - Net assets 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.

2.2 Recent Accounting Developments

The consolidated financial statements of the Group have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

In August of 2016, the Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities, Presentation of Financial Statements of Not-for Profit Entities. The main provisions of this update, which amend the requirements for financial statements and notes in Topic 958, Not-for-Profit Entities, require a not-for profit entity (NFP) to present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the currently required three classes and present on the face of the statement of activities the amount of the change in each of the two classes of net assets. An NFP would continue to report the currently required amount of the change in total net assets for the period.

An NFP is required to continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but the presentation or disclosure of the indirect method (reconciliation) if using the direct method is no longer required. In addition, an NFP is required to provide enhanced disclosures about amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor imposed restrictions as of the end of the period and the composition of net assets with donor restrictions at the end of the period as well as enhanced quantitative and qualitative disclosures about liquidity, expenses by both natural and functional classification, cost allocation methods and underwater endowment funds. The amendments in this Update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. The WAW has adopted ASU 2016-14 in the accompanying financial statements.

WOMEN FOR AFGHAN WOMEN, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Financial Information For The Year December 31, 2018)

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 Group's year ending December 31, 2019. ASU 2018-18 did not have a material effect on the Group's statements of financial position and statements of activities, functional expenses, changes in net assets and cash flows.

2.3 Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The update establishes a comprehensive revenue recognition standard for virtually all entities under U.S. GAAP including those that previously followed industry-specific guidance. In August 2015, The FASB issued ASU 2015-14 this article deferred the effective date of ASU 2014-09 by a year. In addition, the FASB issued ASU 2016-20 in December 2016 that does not change the core principles of the standard but clarifies certain narrow aspects of the standard including its scope, contract cost accounting, disclosures, illustrative examples, and other matters. ASU 2016-20 becomes effective concurrently with ASU 2014-09. ASU 2014-09 is effective for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact the ASU will have on the financial statements.

In August 2016, the FASB issued ASU 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments with Clarifies how certain cash receipts and cash payments are presented and classified the statement of cash flows. The amendments are intended to reduce diversity in practice. ASU 2016-15 contains additional guidance clarifying when an entity should separate cash receipts and cash payments and classify them into more than one class of cash flows (including when reasonable judgment is required to estimate and allocate cash flows) versus when an entity should classify the aggregate amount into one class of cash flows on the basis of predominance. The ASU is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. Management is currently evaluating the impact the ASU will have on the financial statements.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurements. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. This update modifies certain disclosure requirements in Topic 820, Fair Value Measurement. The amendment of this update are effective for all entities for fiscal year, and interim periods within those fiscal years, beginning after December 15, 2019. Management is currently evaluating the impact the ASU will have on the financial statements.

WOMEN FOR AFGHAN WOMEN, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Financial Information For The Year December 31, 2018)

2.4 Contributions:

Contributions, including unconditional promises to give, are recognized when received 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.

2.5 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.

2.6 Measure of Operations:

The consolidated Statement 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 Organization'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.

2.7 Use of Estimates

The preparation of the consolidated financial statements, in conformity with US generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of on contingent assets and contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The group's most significant estimates include the useful lives of property and equipment. Actual results may differ from this estimate.

2.8 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.

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2.9 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.

2.10 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.

2.11 Functional expense allocation

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.

2.12 Management and general expenses

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

2.13 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.

2.14 Property and equipment

Purchased property (consisting of furniture and fixtures and equipment) are carried 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 the reducing balance basis over the respective assets estimated useful lives of three to five years. 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, have been expensed and are included in expenses reported on the statement of functional expenses. 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 calendar year 2019.

WOMEN FOR AFGHAN WOMEN, INC
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2.15 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 transactions 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 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.

2.16 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 gain or (loss) are recognized in statement of activities.

2.17 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.

3 Liquidity and Availability of Resources

As of December 31, 2019, WAW “The organization” had an amount of USD 1,029,794 in the bank, with another USD 56,078 as funds-in-transit, pledged or undeposited. For the purposes of consistency, any amount not in the bank - is treated as pledges receivable.

All cash amounts stated as cash and cash equivalents were available for immediate use, except for an amount of USD 611,054 in consolidated deferred revenue.

Moreover, there was no board designated net assets as of Dec 31, 2019. 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 are 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.

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

	<u>31-Dec-2019</u>	<u>31-Dec-2018</u>
	USD	USD
Cash and cash Equivalents	1,029,794	762,754
Account Receivable, net	2,110	200
Intra-agency receivable	-	-
Grants reimbursement receivable	1,084,094	1,756,314
Pledges receivable	56,078	32,403
	<u>2,172,076</u>	<u>2,551,671</u>

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

There were no special borrowing arrangements during 2019 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) 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 1-12 weeks time period.

4 Cash and cash equivalents

		<u>31-Dec-2019</u>	<u>31-Dec-2018</u>
		USD	USD
WAW-US	4.1	604,730	269,543
WAW-Afghanistan	4.2	425,064	525,614
		<u>1,029,794</u>	<u>795,157</u>

4.1 WAW-US

Cash at Bank	604,730	269,543
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4.2 WAW-Afghanistan

Cash in Hand	527	1,231
Cash at Bank	424,537	524,383
	<u>425,064</u>	<u>525,614</u>

5 Grants Receivable

The Organization received several grants from the U.S. Department of State for program expenses in Afghanistan. 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.

WOMEN FOR AFGHAN WOMEN, INC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Summarized Comparative Financial Information For The Year December 31, 2018)

	<u>31-Dec-2019</u>	<u>31-Dec-2018</u>
	USD	USD
UNW	194,495	190,981
CPS	112,611	793,852
INL	404,302	313,258
AUB	9,618	-
DYCD	57,774	26,892
Business School	3,300	-
Mayor's Office	8,117	-
Minkwon	1,120	-
Novo Foundation	200,000	400,000
Nys Office of Children and Family	6,067	-
OVW	67,983	31,330
USCIS	18,706	-
	<u>1,084,094</u>	<u>1,756,314</u>

6 Land, Buildings and Equipment, net

		<u>31-Dec-2019</u>	<u>31-Dec-2018</u>
		USD	USD
WAW-US	6.1	10,764	2,231
WAW-Afghanistan	6.2	115,667	-
		<u>126,431</u>	<u>2,231</u>

6.1 WAW-US

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 the reducing balance method.

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, have been expensed and are included in expenses reported on the statement of functional expenses. 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 calendar year 2019.

	<u>31-Dec-2019</u>	<u>31-Dec-2018</u>
	USD	USD
<u>Asset Cost</u>		
Assets cost at the beginning of the year	32,666	32,666
Additions/transfers from program expenses	11,224	-
Disposals during the year	-	-
Total Assets at the end of the year	<u>43,890</u>	<u>32,666</u>
<u>Depreciation</u>		
Accumulated Depreciation, beginning of the year	30,435	24,894
Disposals	-	-
Charge for the year (20%)	2,691	5,541
Accumulated Depreciation, at the end of the year	<u>33,126</u>	<u>30,435</u>
Net Book Value at the end of the year	<u>10,764</u>	<u>2,231</u>

WOMEN FOR AFGHAN WOMEN, INC
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6.2 WAW - Afghanistan

Purchased property (consisting of vehicles, furniture and fixtures, computer and other equipments) are initially charged to program expenses for Donor reporting purposes, and at the organizations' year end these expenses are transferred from program expenses to property and equipment and depreciated using 20% reducing balance method.

	<u>31-Dec-2019</u>	<u>31-Dec-2018</u>
	USD	USD
<u>Asset Cost</u>		
Assets cost at the beginning of the year	-	-
Additions/transfers from program expenses	144,584	-
Disposals during the year	-	-
Total Assets at the end of the year	<u>144,584</u>	<u>-</u>
<u>Depreciation</u>		
Accumulated Depreciation, beginning of the year	-	-
Disposals	-	-
Charge for the year (20%)	28,917	-
Accumulated Depreciation, at the end of the year	<u>28,917</u>	<u>-</u>
Net Book Value at the end of the year	<u>115,667</u>	<u>-</u>

7 Accounts Payable

This represents vendor invoices and credit card balances for normal operating expenses remain unpaid at the year ended December 31, 2019.

8 Accrued Expenses

This represents accrual of payroll salaries, wages, payroll taxes and other related expenses.

9 Deferred Revenue

WAW records cash advances received from foundations, federal agencies and other international development agencies as deferred revenue when there is an element of exchange, or contractual obligation. As of Dec 31, 2019, the consolidated total of deferred revenue for 2019, and 2018 were as follows:

		<u>31-Dec-2019</u>	<u>31-Dec-2018</u>
		USD	USD
WAW-US	9.1	11,553	-
WAW-Afghanistan	9.2	599,501	234,388
		<u>611,054</u>	<u>234,388</u>

9.1 WAW-US

SIDA	11,553	-
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WOMEN FOR AFGHAN WOMEN, INC
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9.2 WAW-Afghanistan

UNHCR	29,571	1,885
OXFAM	9,309	56,529
SIDA	374,341	67,037
UNTF	146,072	-
RBF	4,582	-
Timberg	6,609	-
Others	29,017	58,937
DFW	-	50,000
	599,501	234,388

10 Net Assets - Without Donor Restriction

At December 31, 2019 and 2018, 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.

11 Net Assets - With Donor Restriction

Net assets with donor restrictions at Dec 31, 2019, and 2018 were USD 38,195, and USD 45,676 respectively. These were primarily time-restricted.

12 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 Foundation

		31-Dec-2019	31-Dec-2018
		USD	USD
WAW-US	12.1	964,885	1,653,702
WAW-AFG	12.2	7,317,279	6,751,067
		8,282,164	8,404,769
Eliminations	12.3	(235,927)	-
Consolidated Balance		8,046,237	8,404,769

12.1 WAW-US

Individual Contributions	163,517	253,069
Federal Grants - from Afghanistan Grants	92,108	146,695
Federal Grants - US Specific Grants	200,184	184,082
State Grants	6,067	-
City Grants - New York Specific	179,070	65,242
Foundation Grants	207,111	718,000
Development Institutions	116,828	286,614
	964,885	1,653,702

12.2 WAW-AFG

Federal Grants	1,218,858	1,110,430
International Development Institutions	4,210,655	3,974,484
International Governments' Development	313,967	179,072
UN Agencies	1,409,575	1,457,020
Foundation Grants	164,222	30,062
	7,317,279	6,751,067

WOMEN FOR AFGHAN WOMEN, INC
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12.3 Eliminations

WAW has the following eliminations as a result of intra entity transactions:

		<u>2019</u>	<u>2018</u>
		<u>USD</u>	<u>USD</u>
Federal Grants	12.3.1	92,108	-
Foundation Grants	12.3.2	26,991	-
Development Institutions	12.3.3	116,828	-
		<u>235,927</u>	<u>-</u>

- 12.3.1** This elimination entry of USD 92,108 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 US portion.
- 12.3.2** This amount of USD 26,990 relates to foundation grant from Rockefeller Brothers, which included the budget for New York and Kabul office, as Kabul office has already reported its own portion in its individual Financial statements, hence, has to be eliminated from US portion.
- 12.3.3** This amount of USD 116,827 is the salaries and fringe benefits portion of New York office, included in US colombo plan grants, which is reported in both US and Kabul office individual reports, hence , has to be eliminated from Kabul portion.

13 Employee Benefit Plan (Tax Deferred 403B)

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).

WAW do not contributes to this plan, however, it only pays all the administrative costs associated with maintaining the plan for its employees, who choose to enroll to this program. Under this plan, the individual employees fund their own retirement plan through monthly contributions from their paycheck. WAW's total administrative expenses, to maintain the 403(b) plan, were USD 2,068 and USD 0 for fiscal years 2019, and 2018 respectively. No liability amounts are recorded or recognized on the Statement of financial position, and the balance of USD 4,650 presented in Statement of Financial Position is related to Individual employees contribution from their paycheck, maintained in WAW US which would be payable to Vanguard.

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

WOMEN FOR AFGHAN WOMEN, INC
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14 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 US 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 periodic basis, The group reconcile funds received to arrive at net funds due to either of the locations. For consolidation purposes all intra-entity receivables and payables were eliminated.

14.1 In 2019, WAW US received the following funds from the sources listed below:

Sources	2019
	USD
Foundations & Other	63,444
USDOS (INL)	1,097,819
SIDA	654,802
	1,816,065

The amount of USD 1,816,065 includes net amount of USD 936,106 due to WAW-Afghanistan as at December 31, 2019; the net amount of USD 936,106 includes USD 404,302 due from the USODS (INL) for 2019 billings, USD 531,804 receivable from WAW-US for expenses incurred by WAW-Afghanistan for the SIDA, and other projects. This balance is recorded as grants reimbursement receivable, and subsequently as due to Kabul.

15 Related party transactions and balances

During 2019, WAW did not have any related party transactions, in the form of sales, purchases or any other exchange transactions.

16 Prior Period Adjustments

Prior year adjustments are recognized in net assets with regard to the correction of immaterial errors of previous year identified and accounted for in respective head of account.

		2019
		USD
WAW-US adjusted net assets at the beginning of the year	16.1	895,785
WAW- AFG adjusted net assets at the beginning of the year	16.2	1,000,655
		1,896,440

WOMEN FOR AFGHAN WOMEN, INC
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	<u>2019</u>
	<u>USD</u>
16.1 WAW-US	
Net assets at the beginning of the year	891,056
Adjustment	4,729
Adjusted net assets at the beginning of the year	<u>895,785</u>

Management of WAW-US found that a payable account for a printer/copier lease was overstated by an amount of USD 4,729. This amount was part of an initial printer/copier machines lease buyout. Because WAW US had received funds to pay for the lease, a payable amount was recorded; however, in subsequent months, adjustments to the payable account were not made; this resulted in overstating the payable account as well as expenses account in prior year. This prior period adjustment entry reduces the payable amount to Universal Business Solutions, and correspondingly reduces expenses account.

	<u>2019</u>
	<u>USD</u>
16.2 WAW-Afghanistan	
Net assets at the beginning of the year	999,483
Adjustments:	
Rent Payable	240
Payable AFN account	895
Field Advance	37
	<u>1,000,655</u>

Rent Payable: The balance of USD 240 related to rent payable of Kunar office, was due from the year 2016 and there was no indication of claim from the last 4 years, therefore, this amount was adjusted against opening net assets in the current reporting period.

Payable AFN Account: This represents supplier payables in AFN, the balance of USD 895 related to four suppliers namely Alpha auto service, Dunyae Kudak Hajizada, Khalid Petroleum and Zubair Abdali Ltd. These balances were due from the year 2017. The mentioned suppliers were paid in 2018, however, the effect of the exchange rate was not taken by the system at the time of the payment and the USD balance was not cleared by the system, hence, was adjusted against net assets at the beginning of the year.

17 CONTINGENCIES AND COMMITMENTS

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

WOMEN FOR AFGHAN WOMEN, INC
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FOR THE YEAR ENDED DECEMBER 31, 2019
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18 Subsequent Events

Management has evaluated subsequent events through May 9, 2021, the date of the financial statements were available for issuance, to evaluate whether any such events warrant adjustment to any reported amounts or inclusion of additional disclosures.

Because of the shortage in cash, large deficit in the year 2019, and WAW US projects has faced another loss year in 2020 due to Covid-19, therefore, it applied for the Paycheck Protection Program for the amount of USD 215,000. In addition, WAW US also received a Economic Injury Disaster Loan (EIDL) of USD 10,000 from U.S. Small Business Administration (SBA) due to Covid-19. Initial calculations indicate that WAW US may apply to request forgiveness of about 50% - 65% of the PPP loan (out of a total of USD 215,000). The PPP loan is presented on the statement of financial position in 2020 as a note payable. Moreover, in 2020, NoVo foundation indicated that it may not be able to provide continued funding to WAW beyond 2021. NoVo foundation awarded another grant in the amount of \$200,000 for WAW for its CY2021 year. There are also indications from Swedish International Agency for Development (SIDA) that it may not continue to fund Mazar WPC/FGC by June 2021.

Due to the uncertainty of short-term continuing operations as a result of the COVID-19 pandemic, the abrupt closing of all non-essential commercial businesses and school systems, the various city, county, state, and federal declarations of emergency and stay at home orders, management anticipates declined operations during 2020. As of the date of these financial statements, the full scope of the impact of the pandemic on the Organization is not fully known. However, the organization will continue to operate as a going concern.

Najia Nasim, Executive Director,

Women for Afghan Women

Country Director



Yama Nasir

Manager Finance





**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**

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To the Board of Directors of
Women for Afghan Women, Inc.
Fresh Meadow, New York

We have audited, 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, the Consolidated financial statements of Women for Afghan Women, Incorporation. which comprise the Consolidated statement of financial position as of December 31, 2019, 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 May 09, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the Consolidated financial statements, we considered Women for Afghan Women's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Women for Afghan Women's internal control. Accordingly, we do not express an opinion on the effectiveness of Women for Afghan Women'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

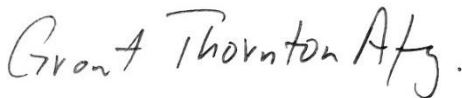
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Women for Afghan Women'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 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 Group's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Grant Thornton Afghanistan

Chartered Accountants
Kabul, Afghanistan

Date: May 09, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIREMENT BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Women for Afghan Women, Inc.
Fresh Meadow, New York

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Report on Compliance for Each Major Federal Program

We have audited Women for Afghan Women's (WAW) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of its major federal programs, to the extent those relate to Afghanistan's operations, for the year ended December 31, 2019. The WAW's major federal programs, to the extent those relate to Afghanistan's operations, 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 WAW's major Federal Programs, to the extent those relate to WAW's operations, 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 WAW'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 to the extent those relate to WAW's operations. However, our audit does not provide a legal determination of the WAW's compliance.

Opinion on Each Major Federal Program

In our opinion, WAW 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, to the extent those relate to Afghanistan's operations, for the year ended December 31, 2019.

Report on Internal Control over Compliance

Management of the Organization 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 WAW's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program, to the extent those relate to Afghanistan's operations, to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 WAW'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 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 WAW as of and for the year ended December 31, 2019, and have issued our report thereon dated May 09, 2021, 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.



Grant Thornton Afghanistan

Chartered Accountants

Kabul, Afghanistan

Date: May 09, 2021

**WOMEN FOR AFGHAN WOMEN, INC.
SCHEDULE OF EXPENDITURE OF
CONSOLIDATED FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

FEDERAL GRANTOR (PASS THROUGH GRANTOR)	AWARD NUMBER	CFDA	TOTAL EXPENDITURE IN US\$
U.S. DEPARTMENT OF JUSTICE, OFFICE ON VIOLENCE AGAINST WOMEN	2017-UD-AX-0010	16.889	181,476
DEPARTMENT OF HOMELAND SECURITY	19CICET00104-01-00	97.010	18,707
U.S. DEPARTMENT OF STATE	SINLEC-14-CA-0002	19.703	267,030
U.S. DEPARTMENT OF STATE	SINLEC-13-CA-0065	19.703	252,625
U.S. DEPARTMENT OF STATE	SINLEC-19-CA-0266	19.703	276,390
U.S. DEPARTMENT OF STATE	SINLEC-19-GR-0195	19.703	392,814
U.S. DEPARTMENT OF STATE	S-AF200-18-CA-0026	19.501	30,000
Grand Total			1,419,042

**WOMEN FOR AFGHAN WOMEN, INC
NOTES TO SCHEDULE OF EXPENDITURE
OF CONSOLIDATED FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019**

NOTE A – NATURE OF ACTIVITIES

Group

Women for Afghan Women, Inc. (referred to as Group) 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 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 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 a satellite office in Washington, DC U.S. 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, 2019. 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 Women - Afghanistan, it is not

intended to and does not present their financial position, changes in net assets, or cashflows.

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.

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 US\$
2017-UD-AX-0010	01-Oct-2017 to 31-Dec-2019	325,000
19CICET00104-01-00	01-Oct-2019 to 30-Sep-2021	250,000
SINLEC-14-CA-0002	19-Nov-2013 to 31-May-2019	2,326,456
SINLEC-13-CA-0065	21-Aug-2013 to 30-Apr-2019	2,879,510
SINLEC-19-CA-0266	01-Jun-2019 to 01-Dec-2020	911,084
SINLEC-19-GR-0195	01-May-2019 to 31-Mar-2022	1,999,103
S-AF200-18-CA-0026	01-Nov-2018 to 30-Aug-2019	30,000

**WOMEN FOR AFGHAN WOMEN, INC
SCHEDULE OF FINDINGS, QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

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?	Yes	
• 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:

<u>Award Number</u>	<u>Name of Federal Program of Cluster</u>	<u>Opinion Issued</u>
19CICET00104-01-00	Office on Violence Against Women	Unmodified
19CICET00104-01-00	Department of Homeland Security	Unmodified
SINLEC-14-CA-0002	Criminal Justice System	Unmodified
SINLEC-13-CA-0065	Criminal Justice System	Unmodified
SINLEC-19-CA-0266	Criminal Justice System	Unmodified
SINLEC-19-GR-0195	Criminal Justice System	Unmodified
S-AF200-18-CA-0026	Criminal Justice System	Unmodified

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

Auditee qualified as low-risk auditee?	Yes
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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 by Group Auditors, and to Women for Afghan Women, Inc by Jones and Company.

Section III - Federal Award Findings and Questioned Costs

<u>Finding No.</u>	2019-001
Area:	Design of Internal Control
Nature of Weakness:	Material Weakness

Condition:

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

Effect:

Several proposed adjusting journal entries related to receivables, depreciation, net assets and several note disclosures revisions.

Cause:

Possible no disclosure statement or monthly financial closing checklists utilized by the Financial Controller to assure that the financial statements are accurate in accordance with US GAAP. Restatement of previous issued financial statements to reflect the correction of a material misstatement.

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.

Finding No. 2019-002
Area: Cash Management
Nature of Weakness: 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.

Federal Grant Award ID	Quarter	Advance or Reimburse	Federal Sponsor Agency	Amount Requested	Date Submitted	Deposit in Bank	Date Submitted to Afghan	# of Days Held in USA
SINLEC-13CA0065	03/30/19	Reimbursement	Dept of State	147,038.99	04/23/19	05/31/19	05/31/19	0
	06/30/19	Reimbursement	Dept of State	105,588.37	07/30/19	04/03/20	06/03/20	61
SINLEC14CA0002	03/30/19	Reimbursement	Dept of State	153,629.84	04/23/19	05/24/19	05/31/19	7
	06/30/19	Reimbursement	Dept of State	113,400.18	07/31/19	09/12/19	10/18/19	36
SINLEC14CA0226	06/30/19	Reimbursement	Dept of State	38,732.85	07/31/19	09/18/19	10/18/19	30
	09/30/19	Reimbursement	Dept of State	100,967.87	10/24/19	12/02/19	03/31/20	120
	12/30/19	Reimbursement	Dept of State	136,689.43	01/27/20	02/27/20	06/03/20	97
SINLEC14CA0226	06/30/19	Reimbursement	Dept of State	84,398.37	07/30/19	09/23/19	10/18/19	25
	09/30/19	Reimbursement	Dept of State	146,392.99	10/28/19	12/19/19	01/31/20	43
	12/30/19	Reimbursement	Dept of State	162,024.36	01/27/20	03/04/20	06/03/20	91

Effect:

Federal grants funds were received in WAW NY held over 7 days or more before wiring to WAW Afghanistan. Recorded due to Kabul for \$936,106 which includes material amount \$404,302 of federal award funds. As a result, a material amount due to affiliate at year ending.

Cause:

Holding reimbursement or advance federal funds in bank account over 7 days before wiring to WAW Afghanistan for reimbursable expenses.

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.



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**WOMEN FOR AFGHAN WOMEN, INC.
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2019**

Not applicable



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**WOMEN FOR AFGHAN WOMEN, INC.
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

There were no prior audit findings which require an update in this report.