

REFUGEE WOMEN'S ALLIANCE

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2020 AND 2019

UNIFORM GUIDANCE SUPPLEMENTARY FINANCIAL REPORTS
YEAR ENDED DECEMBER 31, 2020



REFUGEE WOMEN'S ALLIANCE

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITOR'S REPORT

June 29, 2021

Board of Directors
Refugee Women's Alliance
Seattle, Washington

We have audited the accompanying financial statements of Refugee Women's Alliance, a nonprofit corporation, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activity, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 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 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 financial statements referred to in the first paragraph of this letter present fairly, in all material respects, the financial position of Refugee Women's Alliance as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 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 June 29, 2021, on our consideration of Refugee Women's Alliance'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 Refugee Women's Alliance'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 Refugee Women's Alliance's internal control over financial reporting and compliance.



Jacobson Jarvis & Co, PLLC

REFUGEE WOMEN'S ALLIANCE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 9,789,197	\$ 4,141,106
Investments	1,045	207,234
Grants and contracts receivable	1,525,728	1,672,943
Promises to give	61,196	105,400
Prepaid rent	123,333	123,414
Prepaid expenses	<u>140,971</u>	<u>64,127</u>
Total Current Assets	11,641,470	6,314,224
Cash Held in Escrow for Construction Purposes	-	621,685
Long-term Prepaid Rent	1,459,444	1,582,778
Property and Equipment, net	<u>7,869,789</u>	<u>8,182,519</u>
	<u>\$ 20,970,703</u>	<u>\$ 16,701,206</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 262,813	\$ 162,150
Accrued payroll liabilities	679,331	435,508
Deferred revenue	120,454	103,040
Current portion of capital lease obligations	12,645	12,218
Current portion of debt	<u>73,819</u>	<u>89,928</u>
Total Current Liabilities	1,149,062	802,844
Long-term Deferred Revenue, less current portion above	1,524,203	1,630,332
Long-term Debt, less current portion above	2,806,355	2,811,082
Long-term Capital Lease Obligations, less current portion above	28,934	41,579
Long-term Refundable Advances	<u>2,560,240</u>	<u>2,270,000</u>
Total Liabilities	<u>8,068,794</u>	<u>7,555,837</u>
Net Assets		
Without donor restrictions	7,521,008	6,402,176
With donor restrictions	<u>5,380,901</u>	<u>2,743,193</u>
Total Net Assets	<u>12,901,909</u>	<u>9,145,369</u>
	<u>\$ 20,970,703</u>	<u>\$ 16,701,206</u>

See notes to financial statements.

REFUGEE WOMEN'S ALLIANCE

STATEMENTS OF ACTIVITY

YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Government grants and contracts	\$ 7,428,295		\$ 7,428,295	\$ 6,622,030		\$ 6,622,030
Contributions	2,146,985	\$ 2,917,211	5,064,196	1,234,959	\$ 262,895	1,497,854
Fees from childcare services	687,171		687,171	911,703		911,703
Other fee for service revenue	507,950		507,950	567,433		567,433
United Way	51,301		51,301	195,496		195,496
Special events	77,373		77,373	110,005		110,005
Investment and other income	133,027		133,027	127,714		127,714
Total Public Support and Revenue	<u>11,032,102</u>	<u>2,917,211</u>	<u>13,949,313</u>	<u>9,769,340</u>	<u>262,895</u>	<u>10,032,235</u>
Net Assets Released from Restrictions						
Satisfaction of purpose restriction	279,503	(279,503)	-	1,177,771	(1,177,771)	-
Total Net Assets Released from Restrictions	<u>279,503</u>	<u>(279,503)</u>	<u>-</u>	<u>1,177,771</u>	<u>(1,177,771)</u>	<u>-</u>
Total Public Support, Revenue, and Other Support	<u>11,311,605</u>	<u>2,637,708</u>	<u>13,949,313</u>	<u>10,947,111</u>	<u>(914,876)</u>	<u>10,032,235</u>
Expenses						
Program services	8,494,346		8,494,346	7,794,657		7,794,657
Management and general	1,273,303		1,273,303	1,185,270		1,185,270
Fundraising	425,124		425,124	558,721		558,721
Total Expenses	<u>10,192,773</u>		<u>10,192,773</u>	<u>9,538,648</u>		<u>9,538,648</u>
Change in Net Assets	1,118,832	2,637,708	3,756,540	1,408,463	(914,876)	493,587
Net Assets - beginning of year	<u>6,402,176</u>	<u>2,743,193</u>	<u>9,145,369</u>	<u>4,993,713</u>	<u>3,658,069</u>	<u>8,651,782</u>
Net Assets - end of year	<u>\$ 7,521,008</u>	<u>\$ 5,380,901</u>	<u>\$ 12,901,909</u>	<u>\$ 6,402,176</u>	<u>\$ 2,743,193</u>	<u>\$ 9,145,369</u>

REFUGEE WOMEN'S ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2020

	Family Empowerment	Early Learning Centers	Domestic Violence	Behavioral Health	Youth	Housing and Homelessness Prevention	Advocacy	Total Program	Management and General	Fundraising	Total
Salaries	\$ 1,293,831	\$ 1,834,866	\$ 791,662	\$ 353,293	\$ 409,279	\$ 287,766	\$ 33,787	\$ 5,004,484	\$ 778,783	\$ 310,028	\$ 6,093,295
Employee benefits	154,467	223,540	81,608	18,132	30,001	31,003	1,058	539,809	51,256	16,733	607,798
Payroll taxes	115,995	165,540	69,751	31,509	36,909	25,307	75	445,086	80,559	23,834	549,479
	<u>1,564,293</u>	<u>2,223,946</u>	<u>943,021</u>	<u>402,934</u>	<u>476,189</u>	<u>344,076</u>	<u>34,920</u>	<u>5,989,379</u>	<u>910,598</u>	<u>350,595</u>	<u>7,250,572</u>
Specific assistance	53,668	24,450	282,864	-	-	396,465	-	757,447	-	-	757,447
Occupancy	187,679	332,993	38,112	72,814	4,611	11,561	445	648,215	45,918	1,882	696,015
Depreciation	64,504	187,311	22,402	15,296	19,304	4,301	1,989	315,107	38,004	8,557	361,668
Professional fees	2,853	53	116,320	42,000	9,306	287	1	170,820	23,560	23,862	218,242
Miscellaneous	35,740	82,753	11,905	6,670	13,114	759	1,647	152,588	42,986	10,159	205,733
Equipment	72,529	33,336	5,265	1,929	770	366	-	114,195	52,727	59	166,981
Program supplies	18,349	91,460	465	166	20,090	6	602	131,138	5,651	1,499	138,288
Interest and loan fee amortization	-	-	-	353	-	-	-	353	102,294	-	102,647
Insurance	17,347	23,671	6,272	2,393	8,165	2,476	168	60,492	8,342	8,215	77,049
Telephone	12,003	28,200	16,171	1,554	685	4,172	66	62,851	3,041	832	66,724
Office supplies	3,660	14,041	2,613	744	227	513	7	21,805	24,334	1,613	47,752
Printing	6,696	9,184	8,442	4,479	571	533	54	29,959	3,986	1,085	35,030
Training	2,551	13,929	254	248	-	-	-	16,982	8,287	214	25,483
Event costs	-	-	-	-	-	-	-	-	-	15,347	15,347
Travel	1,646	1,445	8,969	678	896	232	341	14,207	977	130	15,314
Postage and shipping	3,562	2,243	2,701	-	239	38	25	8,808	2,598	1,075	12,481
Total Expenses	<u>\$ 2,047,080</u>	<u>\$ 3,069,015</u>	<u>\$ 1,465,776</u>	<u>\$ 552,258</u>	<u>\$ 554,167</u>	<u>\$ 765,785</u>	<u>\$ 40,265</u>	<u>\$ 8,494,346</u>	<u>\$ 1,273,303</u>	<u>\$ 425,124</u>	<u>\$ 10,192,773</u>

REFUGEE WOMEN'S ALLIANCE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2019

	Family Empowerment	Early Learning Centers	Domestic Violence	Behavioral Health	Youth	Housing and Homelessness Prevention	Advocacy	Total Program	Management and General	Fundraising	Total
Salaries	\$ 1,184,307	\$ 1,690,985	\$ 810,267	\$ 345,157	\$ 373,020	\$ 170,350	\$ 33,171	\$ 4,607,257	\$ 715,876	\$ 181,121	\$ 5,504,254
Employee benefits	115,241	176,982	64,146	19,245	18,819	12,914	1,093	408,440	39,639	11,321	459,400
Payroll taxes	104,192	150,534	70,471	30,555	33,412	15,128	-	404,292	71,713	14,465	490,470
	<u>1,403,740</u>	<u>2,018,501</u>	<u>944,884</u>	<u>394,957</u>	<u>425,251</u>	<u>198,392</u>	<u>34,264</u>	<u>5,419,989</u>	<u>827,228</u>	<u>206,907</u>	<u>6,454,124</u>
Specific assistance	48,541	117	147,539	-	-	412,707	-	608,904	-	-	608,904
Occupancy	191,149	330,984	36,251	67,589	24,513	12,133	272	662,891	17,844	4,747	685,482
Depreciation	41,341	183,747	22,442	3,490	15,407	3,389	2,420	272,236	67,985	10,312	350,533
Professional fees	9,959	3,534	115,016	78,258	50,536	1,179	325	258,807	129,449	235,800	624,056
Miscellaneous	14,092	26,047	7,389	4,580	7,028	38	3,097	62,271	55,678	10,209	128,158
Equipment	5,196	24,900	2,187	1,049	1,577	350	178	35,437	9,579	8,963	53,979
Program supplies	20,064	76,830	3,261	393	43,457	131	1,837	145,973	11,044	96	157,113
Interest and loan fee amortization	6,908	51,987	11,182	989	3,839	434	810	76,149	7,466	12,633	96,248
Insurance	14,506	24,061	7,956	3,032	5,750	1,760	146	57,211	19,529	5,150	81,890
Telephone	14,655	24,779	14,947	4,453	2,917	2,534	61	64,346	8,949	1,809	75,104
Office supplies	7,788	30,126	4,093	941	515	2,019	51	45,533	18,560	1,248	65,341
Printing	9,399	10,943	4,610	3,767	4,025	922	50	33,716	2,763	5,822	42,301
Training	4,381	1,128	5,941	1,049	1,931	-	164	14,594	4,058	990	19,642
Event costs	-	-	-	-	-	-	-	-	-	52,459	52,459
Travel	6,300	713	16,797	3,800	2,455	1,659	540	32,264	3,047	203	35,514
Postage and shipping	246	596	3,431	4	43	11	5	4,336	2,091	1,373	7,800
Total Expenses	<u>\$ 1,798,265</u>	<u>\$ 2,808,993</u>	<u>\$ 1,347,926</u>	<u>\$ 568,351</u>	<u>\$ 589,244</u>	<u>\$ 637,658</u>	<u>\$ 44,220</u>	<u>\$ 7,794,657</u>	<u>\$ 1,185,270</u>	<u>\$ 558,721</u>	<u>\$ 9,538,648</u>

REFUGEE WOMEN'S ALLIANCE

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Cash received from:		
Government grants and contracts	\$ 7,391,559	\$ 6,023,340
Donors	5,224,156	977,949
Childcare services	687,171	911,703
Other fee for service income	513,186	577,138
Investment and other income	339,216	127,260
Cash paid to:		
Personnel	(7,006,749)	(6,379,313)
Services and supplies	(2,222,318)	(2,285,565)
Interest	<u>(99,307)</u>	<u>(91,288)</u>
Net Cash Provided (Used) by Operating Activities	<u>4,826,914</u>	<u>(138,776)</u>
Cash Flows Used by Investing Activities		
Purchases and construction of property and equipment	<u>(144,354)</u>	<u>(2,305,548)</u>
Cash Flows from Financing Activities		
Proceeds from contributions restricted to property and equipment	-	640,000
Proceeds from issuance of note payable	-	34,228
Receipt of long-term refundable advance	380,240	1,375,000
Principal payments on capital lease obligation	(12,218)	(9,865)
Repayments on debt	<u>(24,176)</u>	<u>(453,892)</u>
Net Cash Provided by Financing Activities	<u>343,846</u>	<u>1,585,471</u>
Changes in Cash and Cash Equivalents	5,026,406	(858,853)
Cash and Cash Equivalents - beginning of year	<u>4,762,791</u>	<u>5,621,644</u>
Cash and Cash Equivalents - end of year	<u>\$ 9,789,197</u>	<u>\$ 4,762,791</u>

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Refugee Women's Alliance ("ReWA") is a nonprofit multi-ethnic organization that promotes inclusion, independence, personal leadership and strong communities by providing refugee and immigrant women and their families with culturally and linguistically appropriate services. ReWA advocates for social justice, public policy changes and equal access to services while respecting cultural values and the right to self-determination.

ReWA models the strengths and benefits of a peer-to-peer support system. Our team of over 145 staff members collectively speaks over 50 languages and dialects. Many were once ReWA clients themselves. ReWA has grown to become one of the largest refugee and immigrant service providers in King County, serving clients from over 70 countries, including Africa, Southeast Asia, and the Middle East. ReWA's wrap-around services include:

Family empowerment: Comprehensive case management support to help families achieve self-sufficiency, including interpretation services, referrals, parent education, workshops, and application assistance. Services also include:

Employment and vocational training: Job readiness training, job search support, placement assistance, and retention services for recently arrived refugees.

English-as-a-second-language classes: English classes in a positive environment help newcomers gain and improve English language skills and break down barriers to employment.

Naturalization and legal services: U.S. citizenship classes, green card and naturalization application assistance, advocacy at immigration interviews, and free legal clinics.

Early learning centers: Licensed and accredited dual-language childcare and preschool classes that prepare children for Kindergarten and beyond. Provides culturally-relevant home cooked, hot meals and supportive services through bilingual and bicultural family advocates.

Domestic violence: Legal assistance, community outreach, support groups, and case management services for survivors of domestic violence and sexual assault.

Licensed behavioral health: Mental health counseling, consultation, support groups, and case management in clients' native languages.

Youth program: Support of academic excellence, including tutoring, for children and youth in first through 12th grades, and age-appropriate leadership development, college preparation, and job skills trainings.

Housing and homeless prevention: Emergency help, including rental and utility assistance and case management for refugees and immigrants who are victims of domestic violence, homeless, or at risk of homelessness.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Community Education: Host events and participate in community forums to: educate the community on issues that are important to our clients; defend and safeguard client rights; and have client views and wishes considered when decisions are being made about their lives.

Basis of presentation

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor.

Net assets with donor restrictions are subject to expenditure for specific purposes as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Homelessness prevention	\$ 4,750,955	\$ 2,392,423
Youth programs	205,260	182,797
Impact of COVID-19	109,616	-
Family empowerment - Work First	100,066	66,928
Early Learning Centers	83,939	5,714
Behavioral Health	60,000	-
Family empowerment - Road to Self-Sufficiency	42,767	27,719
Domestic violence	14,150	18,000
Family empowerment - Voter Registration	11,857	24,811
Family empowerment - Census 2020	1,498	20,000
ESL classes - Kent expansion	793	4,801
	<u>\$ 5,380,901</u>	<u>\$ 2,743,193</u>

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activity as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash and short term investments in highly liquid instruments, such as certificates of deposit, purchased with an original maturity of three months or less. ReWA maintains certain cash and cash equivalents in bank accounts that may exceed federally insured limits at times during the year. ReWA has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Fair value measurements

In accordance with financial accounting standards, a three-tiered hierarchy of input levels is used for measuring fair value. Financial accounting standards defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques utilized to determine fair value are consistently applied. The three tiers of inputs used for fair value measurements are as follows:

Level 1: Fair values are based on quoted prices in active markets for identical assets and liabilities.

Level 2: Fair values are based on observable inputs that include: quoted market prices for similar assets or liabilities; quoted market prices that are not in an active market; or other inputs that are observable in the market and can be corroborated by observable market data for substantially the full term of the assets.

Level 3: Fair values are calculated by the use of pricing models and/or discounted cash flow methodologies, and may require significant management judgment or estimation. These methodologies may result in a significant portion of the fair value being derived from unobservable data.

Investments

Investments are recorded at fair value. Gains and losses on investments are reported in the statements of activity as increases or decreases in activity without donor restrictions, unless their use is restricted by explicit donor stipulation. Investments consist of nonnegotiable certificates of deposit placed directly with financial institutions, generally subject to penalty for early redemption, with original maturities greater than 90 days.

Promises to give

Unconditional promises to give are stated at net realizable value. In accordance with financial accounting standards, unconditional promises to give are recognized as support in the period the promise is received.

Conditional promises to give, that is, those with measurable performance or other barriers, are recognized when they become unconditional, that is when the conditions on which they depend are substantially met.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended December 31, 2019, conditions were met and ReWA recognized revenue of \$400,000 related to conditional promises to give, which is included in contributions in the statement of activity. For the year ended December 31, 2020, there were no conditional promises to give recognized as revenue.

At December 31, 2020, conditional contributions were as follows:

	Received in <u>advance</u>	Committed but not <u>received</u>
Conditioned upon incurrence of qualified expenditures	\$ -	\$ 1,309,328
Conditioned upon provision of allowable services	<u>4,204,897</u>	<u>2,361,722</u>
	<u>\$ 4,204,897</u>	<u>\$ 3,671,050</u>

As of December 31, 2020, funds received from grantors in advance of the conditions being met amounted to \$4,204,897, including \$1,630,333 for Seattle Preschool Program, which is included in the statement of financial position as deferred revenue, and \$2,560,240 for the MLK Child Care Center facility, which is included in the statement of financial position as refundable advances.

Property and equipment

Land, buildings, equipment and leasehold improvements are stated at cost, or if donated, at fair value at date of donation. ReWA's capitalization threshold is \$10,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. ReWA uses the direct expensing method to account for planned major maintenance activities.

Property and equipment consisted of the following as of December 31:

	Estimated <u>Useful Lives</u>	<u>2020</u>	<u>2019</u>
Land		\$ 275,756	\$ 275,756
Building	30 years	8,999,428	9,047,984
Leasehold improvements	Lease term	119,036	105,006
Furniture and equipment	3 - 10 years	<u>383,249</u>	<u>357,270</u>
		9,777,469	9,786,016
Less accumulated depreciation		<u>(1,907,680)</u>	<u>(1,603,497)</u>
		<u>\$ 7,869,789</u>	<u>\$ 8,182,519</u>

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

With the adoption of Topic 606 on January 1, 2019, revenue from an exchange transaction is measured based on the consideration specified in a contract with a customer and recognized when ReWA satisfies a performance obligation by transferring control over a product or service to a customer. The majority of ReWA's services are monthly contractual obligations that are satisfied within the month services are rendered. ReWA determines the transaction price based on contractually agreed-upon rates. Revenue from childcare and behavioral health are recognized monthly for services rendered within the service month. ReWA also receives fees for naturalization and immigration services and for sales of books which are recognized when service is delivered or the book is transferred to the buyer. Proceeds received in advance of services rendered or products transferred are recorded as deferred revenue.

Government contracts and grants and related receivables

A substantial portion of public support is derived from contracts and grants administered by federal, state, and local government agencies. Revenue from these contracts and grants is subject to audits, which could result in adjustments. The adjustments are recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. During the years ended December 31, 2020 and 2019, no significant amounts were disallowed as a result of such examinations. Government contracts and grants receivable are recorded at net realizable value and are considered fully collectible by management.

Contributions

ReWA recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with measurable performance or other barriers and a right of return, are not recognized until the conditions on which they depend have been met.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restrictions when the assets are placed in service.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated services and materials

Where measurable, gifts in-kind are recorded at their fair market value. In 2020, ReWA received laptop computers valued at \$9,870 and hand sanitizer valued at \$2,235. In 2019, ReWA received design, photography, and production services, valued at \$126,810, to publish a fundraising book, "Recipes for Refuge: Culinary Journeys to America" that is available for sale at major bookstores. During the years ended December 31, 2020 and 2019, ReWA received donated legal services, valued at \$813 and \$26,196, respectively. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased. Volunteers provided various services throughout the year to ReWA that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activity and of functional expenses. Where possible, specific expenses have been charged directly to the appropriate category.

When functions are shared or costs are intermingled, expenses are allocated on the following basis:

<u>Expense Type</u>	<u>Method of Allocation</u>
Salaries, employee benefits, payroll taxes	Time and effort
Occupancy, mortgage interest and depreciation	Square footage
Telephone, print lease, insurance	Full-time equivalent employees
All other	Direct cost to program or support activity

Concentration

ReWA receives grants and contracts from city, state, federal and private sources to provide services to clients in King County. Substantially all grants require performance prior to payment. ReWA is dependent upon these grants for continued operations.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE A - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal income taxes

The Internal Revenue Service has recognized Refugee Women's Alliance as exempt from federal income taxes under provision of Section 501(a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation. Therefore, no provision for federal income taxes has been made in the financial statements.

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the total net assets or total change in net assets as of or for the year ended December 31, 2019.

NOTE B - LIQUIDITY

ReWA operates its financial assets to be available as its general expenditures, liabilities and other obligations come due. Financial assets are defined as those assets available within one year, including cash and cash equivalents, accounts receivable, promises to give, and short-term investments. Financial assets are not subject any contractual restrictions that make them unavailable for general expenditures within one year.

ReWA's goal is to maintain financial assets on hand to meet 100 days of normal operating expenses. As part of its liquidity management, ReWA invests cash in excess of daily requirements in instruments deemed to be liquid and available for sale as needed to meet its financial obligations. During the years ended December 31, 2020 and 2019, the level of financial assets on hand was managed within the policy requirements.

The following reflects ReWA's financial assets available for use within one year as of December 31:

	<u>2020</u>	<u>2019</u>
Total financial assets	\$11,377,166	\$ 6,748,368
Less: Donor-imposed purpose restrictions	<u>(5,380,901)</u>	<u>(2,743,193)</u>
	<u>\$ 5,996,265</u>	<u>\$ 4,005,175</u>

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE C - FAIR VALUE MEASUREMENTS

Assets carried at fair value on a recurring basis are as follows:

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Equity Securities				
As of December 31, 2020	\$ 1,045	\$ -	\$ -	\$ 1,045
Certificates of Deposit				
As of December 31, 2019	\$ -	\$ 207,234	\$ -	\$ 207,234

Assets and liabilities carried at fair value on a nonrecurring basis using level 2 inputs generally include donated goods, facilities and services. Long-term promises to give are valued on a nonrecurring basis using the net present value of future cash flows discounted at a risk-free rate of return, which is a level 3 input. ReWA also uses fair value concepts to test various long-lived assets for impairment.

NOTE D - LONG-TERM DEBT

Long-term debt consists of the following at December 31:

Credible - Electronic Health Records System

Note payable with monthly payments of \$1,482, including interest at 3.72%, paid in full in December 2020.

	<u>2020</u>	<u>2019</u>
	\$ -	\$ 17,432

Wells Fargo

Note payable to Wells Fargo Bank, collateralized by first deed of trust on real property owned by ReWA with a recorded cost of \$8,697,097. The promissory note was modified in December 2019, extending the interest-only period and modifying the principal repayment period. Interest-only payments were made beginning February 1, 2018 through December 31, 2020. Monthly payments of \$6,745, including interest at 3.19%, begin in January 2021. The loan matures in December 2047, with an initial term/mandatory purchase date of January 2028. ReWA may prepay up to 20% of the outstanding balance of the note each year without penalty.

	<u>2,993,256</u>	<u>3,000,000</u>
Total	2,993,256	3,017,432
Less: unamortized loan issuance costs	(113,082)	(116,422)
Less: current portion	<u>(73,819)</u>	<u>(89,928)</u>
	<u>\$ 2,806,355</u>	<u>\$ 2,811,082</u>

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE D - LONG-TERM DEBT (Continued)

Principal payments of notes payable for the years ending December 31 are:

2021	\$	73,819
2022		84,290
2023		88,052
2024		91,813
2025		95,574
Thereafter		<u>2,559,708</u>
		<u>\$ 2,993,256</u>

NOTE E - REFUNDABLE ADVANCES

The construction of the MLK Child Care Center facility was partially financed with an \$800,000 refundable grant from the City of Seattle Human Services Department. The advance is non-interest bearing, is collateralized by a deed of trust on the real property, and matures in June 2039. The advance is forgivable (one-twentieth each year), provided the property continues to be used for the stated purpose. ReWA fully intends to comply. During 2020, ReWA recognized \$40,000 in revenue from forgiveness of debt. The refundable grant balance at December 31, 2020 is \$760,000.

The construction of the MLK Child Care Center facility was partially financed with a \$500,000 refundable grant from the City of Seattle Department of Early Learning. The advance is non-interest bearing, is collateralized by a deed of trust on the real property, and matures in June 2029. The advance is forgivable (one-tenth each year), provided the property continues to be used for the stated purpose. ReWA fully intends to comply. During 2020, ReWA recognized \$50,000 of revenue from forgiveness of debt. The refundable grant balance at December 31, 2020 is \$450,000.

Construction of the MLK Child Care Center facility was partially financed with a refundable grant from the Washington State Department of Commerce. The grant totaling \$970,000 closed in October 2018, and funds were received in 2019. The loan is non-interest bearing, is collateralized by a deed of trust on the real property, and matures in March 2029. In the event the property is sold or used for an unauthorized purpose, the advance is subject to interest at 5% of the outstanding balance per year from the date of non-compliance. The advance is forgivable upon maturity, provided the property continues to be used for the stated purpose. ReWA fully intends to comply.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE E - REFUNDABLE ADVANCES (Continued)

Construction of the MLK Child Care Center facility was partially financed with a refundable grant from The Building Communities Fund Program of the Washington State Department of Commerce. The grant totaling \$380,240 closed in December 2019 and funds were received in May 2020. In the event the property is sold or used for an unauthorized purpose, the advance is subject to repayment along with interest at the effective rate of a comparable State of Washington general obligation bond interest rate. The advance is forgivable in May 2030, ten years from the final payment, provided the property continues to be used for the stated purpose. ReWA fully intends to comply.

Scheduled forgiveness of refundable advances for the years ending December 31 is as follows:

2021	\$	90,000
2022		90,000
2023		90,000
2024		90,000
2025		90,000
Thereafter		<u>2,110,240</u>
		<u>\$ 2,560,240</u>

NOTE F - RETIREMENT PLAN

ReWA sponsors a 403(b) defined contribution plan (the Plan), as defined by the Internal Revenue Code. Employees are eligible to make tax-deferred contributions upon enrollment into the Plan. The Board of Directors, at its discretion, can prospectively modify the Plan, including contribution levels, at any time or terminate the plan entirely. No employer contributions were made during the years ended December 31, 2020 and 2019.

NOTE G - SEATTLE PRESCHOOL PROGRAM

ReWA entered into a 15-year lease agreement for the Seattle Preschool Program site in Lake City effective October 2018. The terms of the lease stipulate an initial base rent payment that increases annually by 3%. Upon initial occupancy, ReWA was required to prepay the sum of \$1,850,000 which constituted prepayment of base rent for the initial fifteen year term. ReWA reported the amount paid in advance as a prepaid expense and recognizes the occupancy expense on a straight-line basis over the term of the lease. At December 31, 2020, ReWA's prepaid rent totaled \$1,582,777, of which \$123,333 is short-term and \$1,459,444 is long-term (greater than one year). During 2020, ReWA recognized \$123,333 as rent expense, which is included in the total rent expense figure in Note H.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE G - SEATTLE PRESCHOOL PROGRAM (Continued)

In 2018, the City of Seattle entered into a tri-party agreement with ReWA and a developer to enable construction of a Seattle Preschool Program facility in Lake City to be operated by ReWA. ReWA entered into a 15-year lease agreement with the developer and in return, the City of Seattle agreed to pay the developer, on behalf of ReWA, the base rent due for the initial 15-year term of the lease in one lump sum of \$1,850,000. The proceeds paid by City of Seattle on behalf of ReWA are recorded as deferred revenue with grant revenue recognized based on the rental payments outlined in the lease agreement annually over the 15-year term of the lease. At December 31, 2020, ReWA reported \$1,630,333 of deferred revenue, of which \$106,130 was short-term and \$1,524,203 was deferred for greater than one year. During 2020, ReWA recognized \$103,039 in related grant revenue.

NOTE H - OPERATING LEASES

ReWA is committed under leases for space for various program locations. Rent expense totaled \$530,409 and \$547,382 for the years ended December 31, 2020 and 2019, respectively.

Future minimum rent payments required, including lease modifications subsequent to year-end, are as follows:

2021	\$ 372,053
2022	382,567
2023	339,150
2024	245,694
2025	48,111
Thereafter	<u>430,246</u>
Total	<u>\$ 1,817,821</u>

ReWA leases printers from others. Leased property having elements of ownership is recorded as capital leases in the statement of financial position. The related obligations, in amounts equal to the present value of the minimum lease payments payable during the remaining term of the leases, are recorded as long-term debt. Leased property not having elements of ownership is classified as an operating lease. Total expenses on such leases totaled \$3,529 and \$3,768 for the fiscal years ended

NOTE I - CAPITAL LEASES

In February 2019, REWA entered into a non-cancelable capital lease for copiers and printers with Konica Minolta Business Solutions that expires in February 2024. The present value of the payments totaled \$63,662, with monthly payments of \$2,455, including \$1,404 monthly maintenance fee and interest at 3.44%. The copier has accumulated depreciation as of December 31, 2020 and 2019 of \$23,343 and \$10,610, respectively.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE I - CAPITAL LEASES (Continued)

Future minimum payments under this lease for the years ending December 31 are as follows:

	2021	\$ 29,460
	2022	29,460
	2023	29,460
	2024	<u>4,910</u>
	Total	93,290
Less: monthly maintenance		(49,346)
Less: interest		<u>(2,365)</u>
		41,579
Less: current portion		<u>(12,645)</u>
		<u>\$ 28,934</u>

NOTE J - PAYCHECK PROTECTION PLAN

In April 2020, ReWA applied for and received a Paycheck Protection Program (PPP) loan in the amount of \$1,167,200. The loan was funded on April 27, 2020 and had an initial maturity date of April 27, 2022. PPP loans have a forgiveness option for employers who maintain their staffing levels and salaries at pre-COVID-19 pandemic levels. Expenses eligible to trigger forgiveness include employee wages, benefits, office rent, and utilities. ReWA entered into the program with the intention of complying with the terms of forgiveness and initially recognized the loan as a conditional grant. ReWA met the criteria for full forgiveness during 2020. Accordingly, the loan has been recognized as a contribution during 2020, consistent with generally accepted accounting principles.

NOTE K - RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. On March 23, 2020, the Governor of Washington declared a health emergency and issued an order to close all nonessential businesses until further notice. ReWA was deemed an essential business and operated, beginning in March 2020, under a hybrid model, with some employees working from home and in the office. Management continues to evaluate the financial impact of the COVID-19 pandemic and to monitor carefully the effect on ReWA's financial position, changes in net assets and cash flows in the future. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

REFUGEE WOMENS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE L - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to December 31, 2020 through June 29, 2021, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at December 31, 2020, including the estimates inherent in the processing of financial statements.

SUPPLEMENTARY INFORMATION

REFUGEE WOMEN'S ALLIANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

Federal Grantor

<i>Pass-through Grantor</i> "Program Title"	Contract Number	CFDA Number	Passed Through to Subrecipients	Federal Expenditures
Department of Agriculture				
<i>Washington State</i>				
"Child and Adult Care Food Program"	17011084	10.558	\$ -	\$ 43,850
<i>Washington State</i>				
"State Administrative Matching Grants for the Supplemental Nutrition Assistance Program"	1912-62770		-	40,572
	1912-62770		-	33,000
	2012-91460		-	11,882
<i>WithinReach</i>				
"State Administrative Matching Grants for the Supplemental Nutrition Assistance Program"	1912-64581-16		-	32,205
	1912-64581-16 Amend 1		-	10,715
	SNAP Cluster	10.561	-	128,374
	Subtotal Department of Agriculture		-	172,224
Department of Housing and Urban Development				
<i>City of Seattle Human Services</i>				
"Community Development Block Grants/Entitlement Grants" COVID-19 Emergency Acts	DA20-1382			
	CDBG - Entitlement Grants Cluster	14.218	-	39,972
	Subtotal Department of Housing and Urban Development		-	39,972
Department of Justice				
<i>WA State Department of Commerce</i>				
"Crime Victim Assistance"	2013-87080		-	1,544
"Crime Victim Assistance"	20-31310-307; 21-31310-307		-	36,627
<i>Washington Department of Social and Health Services</i>				
"Crime Victim Assistance"	1913-60296		-	106,083
"Crime Victim Assistance"	1913-59136		-	131,558
		16.575*	-	275,812

* Denotes a major program.

REFUGEE WOMEN'S ALLIANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

Federal Grantor

<i>Pass-through Grantor</i> "Program Title"	Contract Number	CFDA Number	Passed Through to Subrecipients	Federal Expenditures
<i>WA State Department of Commerce</i>				
"Violence Against Women Formula Grants"	F19-31103-105		-	19,414
<i>YWCA</i>				
"Violence Against Women Formula Grants"	F19-31103-049		-	11,049
		16.588	-	30,463
<i>Northwest Immigration Rights Project</i>				
"Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program"	2016-WE-AX-0009	16.590	-	2,777
	Subtotal Department of Justice		-	309,052
Department of Transportation				
<i>King County</i>				
"Job Access and Reverse Commute Program"	ITB 1286-17-JAS (7103720)		-	26,870
	Transit Services Programs Cluster	20.516	-	26,870
Department of the Treasury				
<i>King County Department of Community & Human Services</i>				
"Coronavirus Relief Fund"	2020 CSO Fund-COVID-19 Emergency Omnibus		-	59,996
"Coronavirus Relief Fund"	2020 CSO Fund-COVID-19 Emergency Omnibus		-	50,000
"Coronavirus Relief Fund"	6059155 Amend 2		-	19,441
<i>King County</i>				
"Coronavirus Relief Fund"	CE-PSB-DEQUITY-VA-02		-	52,485
<i>Washington State Department of Health</i>				
"Coronavirus Relief Fund"	CBO25457		-	22,850
	Subtotal Department of the Treasury	21.019*	-	204,772

* Denotes a major program.

REFUGEE WOMEN'S ALLIANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

Federal Grantor				
<i>Pass-through Grantor</i>	Contract	CFDA	Passed Through	Federal
<u>"Program Title"</u>	<u>Number</u>	<u>Number</u>	<u>to Subrecipients</u>	<u>Expenditures</u>
Department of Health and Human Services				
<i>State Board for Community and Technical College</i>				
"Temporary Assistance for Needy Families"	276-WFDA-20			
	TANF Cluster	93.558	-	<u>60,853</u>
<i>Washington Department of Social & Health Services</i>				
"Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services"				
COVID-19 Emergency Acts	1913-60296 Amend 1	93.671	-	<u>2,863</u>
	Subtotal Department of Health and Human Services		-	<u>63,716</u>
Department of Homeland Security				
"Citizenship Education and Training"	20CICET00163-01-00	97.010	-	<u>25,329</u>
	Subtotal Department of Homeland Security		-	<u>25,329</u>
	Total Expenditures of Federal Awards		<u>\$ -</u>	<u>\$ 841,935</u>

REFUGEE WOMEN'S ALLIANCE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2020

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Refugee Women's Alliance and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - INDIRECT COST RATE

Refugee Women's Alliance has never requested nor received a negotiated indirect federal cost rate and directly allocates allowable costs to federal grants or contracts in accordance with the specific grant or contract requirements. Refugee Women's Alliance may elect to apply the *de minimis* indirect rate of 10% of modified total direct costs allowed by the Uniform Guidance for federal awards when applicable, but did not apply such rate in 2020.

INDEPENDENT AUDITOR'S REPORT
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

June 29, 2021

Board of Directors
Refugee Women's Alliance
Seattle, Washington

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 financial statements of Refugee Women's Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activity, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Refugee Women's Alliance'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 Refugee Women's Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of Refugee Women's Alliance'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 Refugee Women's Alliance'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 Refugee Women's Alliance's 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 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 Refugee Women's Alliance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Refugee Women's Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Jacobson Jarvis & Co, PLLC

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

June 29, 2021

Board of Directors
Refugee Women's Alliance
Seattle, Washington

Report on Compliance with Each Major Federal Program

We have audited Refugee Women's Alliance'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 Refugee Women's Alliance's major federal programs for the year ended December 31, 2020. Refugee Women's Alliance's major federal programs are identified in the summary of audit 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 Refugee Women's Alliance'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 Refugee Women's Alliance'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 Refugee Women's Alliance's compliance.

Opinion on Each Major Federal Program

In our opinion, Refugee Women's Alliance complied, in all material respects, with the types of compliance requirements referred to in the first paragraph of this letter that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Refugee Women's Alliance 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 Refugee Women's Alliance'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 our opinion on compliance for each 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 Refugee Women's Alliance'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 a 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.



Jacobson Jarvis & Co, PLLC

REFUGEE WOMEN'S ALLIANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2020

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Refugee Women's Alliance.
2. No material weaknesses relating to the financial statements are reported in the "Independent Auditor's Report Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."
3. No instances of noncompliance material to the financial statements of Refugee Women's Alliance were disclosed during the audit.
4. No material weaknesses or significant deficiencies in internal control over compliance are reported.
5. The auditor's report on compliance for the major federal award programs for Refugee Women's Alliance expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs for Refugee Women's Alliance are reported in Part C of this Schedule.
7. The programs tested as major were "Crime Victim Assistance" CFDA No. 16.575 and "Coronavirus Relief Fund" CFDA No. 21.019.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Refugee Women's Alliance was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None