

**FINANCIAL STATEMENTS**



**THE WHITE  
RIBBON  
ALLIANCE**

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HEALTHY WOMEN  
HEALTHY WORLD

**FOR THE YEARS ENDED  
DECEMBER 31, 2020 AND 2019**

**THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD**

**CONTENTS**

	<b>PAGE NO.</b>
INDEPENDENT AUDITOR'S REPORT	2 - 3
EXHIBIT A - Statements of Financial Position, as of December 31, 2020 and 2019	4
EXHIBIT B - Statements of Activities and Changes in Net Assets, for the Years Ended December 31, 2020 and 2019	5 - 6
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2020	7
EXHIBIT D - Statement of Functional Expenses, for the Year Ended December 31, 2019	8
EXHIBIT E - Statements of Cash Flows, for the Years Ended December 31, 2020 and 2019	9
NOTES TO FINANCIAL STATEMENTS	10 - 16



**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
The White Ribbon Alliance for Safe Motherhood  
Washington, D.C.

We have audited the accompanying financial statements of The White Ribbon Alliance for Safe Motherhood (WRA), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, 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.

### **Auditor's 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. Those standards require that we plan and perform the audits 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.

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## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WRA 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.

*Gelman Rosenberg & Friedman*

August 19, 2021

## THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2020 AND 2019

<b>ASSETS</b>		<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	4,228,953	\$ 2,600,538
Contributions and grants receivable		253,010	2,783,552
Sub-grantee advances		233,355	103,576
Prepaid expenses		78,688	43,199
Other receivables		<u>14,807</u>	<u>6,612</u>
Total current assets		<u>4,808,813</u>	<u>5,537,477</u>
<b>NONCURRENT ASSETS</b>			
Contributions and grants receivable, net of current portion and present value discount		-	286,396
Security deposit		<u>76,158</u>	<u>14,694</u>
Total noncurrent assets		<u>76,158</u>	<u>301,090</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>4,884,971</u></b>	<b>\$ <u>5,838,567</u></b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$	48,778	\$ 53,467
Sub-grants payable		-	666
Accrued employee benefits		46,455	74,270
Deferred rent		<u>-</u>	<u>20,583</u>
Total current liabilities		<u>95,233</u>	<u>148,986</u>
<b>NONCURRENT LIABILITIES</b>			
Deferred rent, net of current portion		<u>114,095</u>	<u>-</u>
Total liabilities		<u>209,328</u>	<u>148,986</u>
<b>NET ASSETS</b>			
Net assets without donor restrictions		117,239	5,588
Net assets with donor restrictions		<u>4,558,404</u>	<u>5,683,993</u>
Total net assets		<u>4,675,643</u>	<u>5,689,581</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u>4,884,971</u></b>	<b>\$ <u>5,838,567</u></b>

**THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
U.S. Government grants	\$ 633,939	\$ -	\$ 633,939
Foundation and corporate contributions	3,240	1,739,694	1,742,934
Other contributions	376,937	-	376,937
In-kind contributions	78,294	-	78,294
Interest income	1,459	-	1,459
Other revenue	189	-	189
Exchange rate loss	-	-	-
Net assets released from donor restrictions - satisfaction of program restrictions	<u>2,865,283</u>	<u>(2,865,283)</u>	<u>-</u>
Total support and revenue	<u>3,959,341</u>	<u>(1,125,589)</u>	<u>2,833,752</u>
<b>EXPENSES</b>			
Maternal Health	3,077,478	-	3,077,478
Management and General	729,144	-	729,144
Fundraising	<u>41,068</u>	<u>-</u>	<u>41,068</u>
Total expenses	<u>3,847,690</u>	<u>-</u>	<u>3,847,690</u>
Changes in net assets	111,651	(1,125,589)	(1,013,938)
Net assets at beginning of year	<u>5,588</u>	<u>5,683,993</u>	<u>5,689,581</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 117,239</u></b>	<b><u>\$ 4,558,404</u></b>	<b><u>\$ 4,675,643</u></b>

<b>2019</b>		
<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
\$ 905,460	\$ -	\$ 905,460
367,912	3,258,148	3,626,060
64,439	-	64,439
12,785	-	12,785
705	-	705
-	-	-
(513)	-	(513)
<u>2,957,997</u>	<u>(2,957,997)</u>	<u>-</u>
<u>4,308,785</u>	<u>300,151</u>	<u>4,608,936</u>
3,364,073	-	3,364,073
540,316	-	540,316
<u>63,281</u>	<u>-</u>	<u>63,281</u>
<u>3,967,670</u>	<u>-</u>	<u>3,967,670</u>
341,115	300,151	641,266
<u>(335,527)</u>	<u>5,383,842</u>	<u>5,048,315</u>
<u><b>\$ 5,588</b></u>	<u><b>\$ 5,683,993</b></u>	<u><b>\$ 5,689,581</b></u>

See accompanying notes to financial statements.

## THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Maternal Health</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 1,069,385	\$ 286,425	\$ 18,975	\$ 1,374,785
Benefits and payroll taxes	157,291	190,616	2,138	350,045
Printing and production	1,379	1,048	79	2,506
Professional fees	419,328	64,720	10,226	494,274
Occupancy	139,984	85,315	4,324	229,623
Insurance	61	11,402	-	11,463
Telephone	16,242	4,749	292	21,283
Travel and related expenses	21,936	432	5	22,373
Postage and delivery	452	492	178	1,122
Supplies	31	1,061	31	1,123
Subscriptions	17,260	2,004	2,322	21,586
Meetings	2,261	41	-	2,302
Advertising	-	-	-	-
Bank fees	2,756	2,478	2,497	7,731
Equipment rental and maintenance	51	67	1	119
Sub-grants	1,228,944	-	-	1,228,944
Other expenses	117	-	-	117
In-kind professional fees	-	78,294	-	78,294
<b>TOTAL</b>	<b><u>\$ 3,077,478</u></b>	<b><u>\$ 729,144</u></b>	<b><u>\$ 41,068</u></b>	<b><u>\$ 3,847,690</u></b>



## THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Maternal Health</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 907,701	\$ 219,951	\$ 26,596	\$ 1,154,248
Benefits and payroll taxes	475,637	116,785	13,802	606,224
Printing and production	13,652	6,035	-	19,687
Professional fees	496,554	63,097	9,712	569,363
Occupancy	107,682	63,306	2,392	173,380
Insurance	3,710	11,606	-	15,316
Telephone	22,001	4,071	501	26,573
Travel and related expenses	215,335	10,196	736	226,267
Postage and delivery	2,475	296	224	2,995
Supplies	1,700	10,221	78	11,999
Subscriptions	26,297	6,547	5,957	38,801
Meetings	50,850	490	-	51,340
Advertising	315	285	-	600
Bank fees	4,052	1,517	3,283	8,852
Equipment rental and maintenance	-	1,037	-	1,037
Sub-grants	1,036,112	-	-	1,036,112
Other expenses	-	12,091	-	12,091
In-kind professional fees	-	12,785	-	12,785
<b>TOTAL</b>	<b><u>\$ 3,364,073</u></b>	<b><u>\$ 540,316</u></b>	<b><u>\$ 63,281</u></b>	<b><u>\$ 3,967,670</u></b>

## THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ (1,013,938)	\$ 641,266
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Change in present value discount on noncurrent grants and contributions receivable	(13,604)	(22,822)
Recognition of debt forgiveness	(268,300)	-
Decrease (increase) in:		
Contributions and grants receivable	2,830,542	83,862
Sub-grantee advances	(129,779)	76,941
Prepaid expenses	(35,489)	(8,921)
Other receivables	(8,195)	(4,234)
Security deposit	(61,464)	-
(Decrease) increase in:		
Accounts payable and accrued liabilities	(4,689)	19,152
Sub-grants payable	(666)	(2,336)
Accrued employee benefits	(27,815)	(16,090)
Deferred rent	<u>93,512</u>	<u>(8,548)</u>
Net cash provided by operating activities	<u>1,360,115</u>	<u>758,270</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan proceeds received	<u>268,300</u>	<u>-</u>
Net cash used by financing activities	<u>268,300</u>	<u>-</u>
Net increase in cash and cash equivalents	1,628,415	758,270
Cash and cash equivalents at beginning of year	<u>2,600,538</u>	<u>1,842,268</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 4,228,953</u></b>	<b><u>\$ 2,600,538</u></b>

# THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

#### Organization -

The White Ribbon Alliance for Safe Motherhood (WRA) is a locally led, globally connected grassroots movement advocating for the health and rights of women and newborns. WRA actively works in partnership with women, men, their families and communities, professionals and practitioners from diverse fields and all sectors of government. WRA uses many approaches, all of which put citizens at the center.

#### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14 *Presentation of Financial Statements for Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as net assets without donor restrictions. Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors (or certain grantors) 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 Activities and Changes in Net Assets as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

#### Cash and cash equivalents -

WRA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, WRA maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

#### Foreign currency reporting -

WRA maintains cash in U.S. Dollars (USD) and British Pounds (GBP). All non-USD revenues and expenses are reported in the accompanying Statements of Activities and Changes in Net Assets and have been translated to U.S. Dollars using the average annual exchange rate. All year-end assets and liabilities (held in foreign currency) have been revalued at the current spot rates; therefore, exchange rate variances have been reflected as an exchange rate loss in the accompanying Statements of Activities and Changes in Net Assets.

# THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

#### Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. Contributions and grants receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution and grants revenue in the accompanying Statements of Activities and Changes in Net Assets. Such receivables are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

#### Uncertain tax positions -

For the years ended December 31, 2020 and 2019, WRA has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

#### Income taxes -

WRA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. WRA is not a private foundation.

#### Contributions and grants -

The majority of WRA's revenue is received through awards from individuals, foundations, corporations, and other entities. Contributions and grants are recognized in the appropriate category of net assets in the period received. WRA performs an analysis of each award to determine if the revenue streams follow the contribution rules or if considered an exchange transaction depending on whether the transaction is reciprocal or nonreciprocal.

For awards qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Awards qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor imposed restrictions and satisfaction of time restrictions. Funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Awards qualifying as conditional contributions contain a right of return or right of release from obligation provision and a defined barrier (or barriers), and the entity has limited discretion over how funds transferred should be spent. Accordingly, revenue is recognized when the condition or conditions are satisfied (when the related barrier has been overcome; generally, when qualifying expenditures are incurred); these transactions are nonreciprocal and classified as conditional, and are recognized as contributions when the revenue becomes unconditional. WRA considers all awards from the U.S. Government (and pass-through entities) to be conditional assistance, and accordingly have been recognized in the accompanying financial statements as revenue (without donor restrictions) at such time when the conditions have been met. Total conditional awards recognized as revenue (without donor restrictions) in the accompanying financial statements during the years ended December 31, 2020 and 2019 aggregated \$633,939 and \$905,460, respectively.

# THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

#### Contributions and grants (continued) -

Funds received in advance of the incurrence of qualifying expenditures are recorded as refundable advances; there were no refundable advances recognized in the accompanying financial statements.

#### Sub-grantee advances, payables and expenses -

Sub-grantee advances consist of amounts provided to sub-grantees to execute project objectives. Project costs incurred by sub-grantees are recorded in the accompanying financial statements when reported to WRA; accordingly, advances are reduced and expenses are increased. Amounts not reimbursed by WRA (to sub-grantees) as of fiscal year-end are recorded as sub-grants payable.

#### In-kind contributions -

In-kind contributions consist of professional fees and materials/supplies, and are reported at their estimated fair value based on the number of donated hours and estimated rates of services rendered, or fair value as of the date of gift. The value of in-kind contributions totaled \$78,294 and \$12,785 during the years ended December 31, 2020 and 2019, respectively.

In-kind contributions have been recorded as management and general expenses in the accompanying Statements of Functional Expenses during the years ended December 31, 2020 and 2019.

#### Use of estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of WRA are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated either based on approved budgets or on the basis of estimated time and effort.

#### Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact WRA's operations. The overall potential impact is unknown at this time.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)

New accounting pronouncement (not yet adopted) -

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

WRA plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. CONTRIBUTIONS AND GRANTS RECEIVABLE

WRA receives awards from its various donors for multi-year program support. As of December 31, 2020 and 2019, WRA had uncollected commitments from donors aggregating \$253,010 and \$3,083,552, respectively.

The following is a schedule of expected payments to be received in future years, as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 253,010	\$ 2,783,552
One to five years	<u>-</u>	<u>300,000</u>
Total	253,010	3,083,552
Less: Present value discount (3.25%)	<u>-</u>	<u>(13,604)</u>
<b>CONTRIBUTIONS AND GRANTS RECEIVABLE, NET</b>	<b><u>\$ 253,010</u></b>	<b><u>\$ 3,069,948</u></b>

3. PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On May 5, 2020, WRA received loan proceeds in the amount of \$268,300 under the Paycheck Protection Program (PPP). Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note must be used for certain expenditures within a 24-week period to ultimately be forgiven by the Small Business Administration. During the year ended December 31, 2020, WRA expended and tracked the PPP funds for purposes outlined in the CARES Act guidance.

On April 1, 2021, WRA received confirmation that the loan was forgiven in full by the Small Business Administration. Accordingly, under guidance found in FASB ASC 958-605, WRA has recognized the PPP funding as a conditional grant during 2020 as all conditions required under the loan agreement were met during 2020. Accordingly, \$268,300 of revenue has been included in "Other contributions" (without donor restrictions) in the accompanying 2020 Statement of Activities and Change in Net Assets.

**THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019**

**4. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
IMHM Capacity and Use	\$ -	\$ 73,922
Reinvestment: Advocating for Improved Maternal and Newborn Health II	2,490,353	3,090,000
Sustainable MHN Self Care	599,016	1,123,072
Digitization	668,299	-
Org Effectiveness	93,287	-
Family Planning to Achieve What Women Want	-	173,867
Advocacy for Universal Health in East Africa	<u>707,449</u>	<u>1,223,132</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 4,558,404</u></b>	<b><u>\$ 5,683,993</u></b>

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

	<u>2020</u>	<u>2019</u>
Demand during Covid-19	\$ 45,000	\$ -
IMHM Capacity and Use	73,922	224,616
Reinvestment: Advocating for Improved Maternal and Newborn Health II	1,637,134	2,203,267
Population Services International - Self-Care Trailblazers	-	113,269
Sustainable MHN Self Care	311,245	238,632
Digitization	31,719	-
Org Effectiveness	76,713	-
Family Planning to Achieve What Women Want	173,867	76,133
Advocacy for Universal Health in East Africa	<u>515,683</u>	<u>102,080</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b><u>\$ 2,865,283</u></b>	<b><u>\$ 2,957,997</u></b>

**5. LIQUIDITY**

Financial assets available for use within one year of the Statements of Financial Position were comprised of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 4,228,953	\$ 2,600,538
Grants and contributions receivable, current portion	253,010	2,783,552
Subgrantee advances	233,355	103,576
Other receivables	<u>14,807</u>	<u>6,612</u>
Subtotal	4,730,125	5,494,278
Less: Financial assets unavailable for expenditure within one year due to current donor imposed restrictions	<u>(4,558,404)</u>	<u>(5,397,597)</u>
<b>FINANCIAL ASSETS AVAILABLE FOR EXPENDITURE WITHIN ONE YEAR</b>	<b><u>\$ 171,721</u></b>	<b><u>\$ 96,681</u></b>

# THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

### 5. LIQUIDITY (Continued)

WRA has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2020 and 2019, WRA had financial assets (available for expenditure) equal to 16 and 9 days, respectively, of expenses.

WRA has a significant donor restricted net asset balance to fund programmatic activities in future periods. Additionally, WRA also maintains a line of credit with an available credit line of \$500,000 which can be drawn to help manage liquidity needs.

### 6. LEASE COMMITMENTS

On June 21, 2016, WRA entered into a 50-month sublease agreement for office space in Washington, D.C., effective July 1, 2016 through August 31, 2020. Base rental payments under the agreement were \$14,694 per month, with 4% annual escalation. The first and second month of rental payments were abated, and the first month of the following three years of the agreement was also abated.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense was being recognized for financial statement purposes and was recorded as a deferred rent liability. As of December 31, 2019, the total deferred rent liability aggregated \$20,583.

On March 24, 2020, WRA entered into a new 145-month lease agreement commencing September 1, 2020. Included in the lease is a one-time right to terminate the lease effective on the 84th month after the rent commencement date; if the termination option is exercised (twelve months notice is required), a termination payment of \$486,045 is immediately due and payable.

Base rental payments under the new agreement are \$25,386 per month, subject to a 2.5% annual escalation. The first eight months of the rental payments will be abated, as well as the first three months of year two and the first two months of years three and four. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes has been recorded as a deferred rent liability. As of December 31, 2020 the total deferred rent liability aggregated \$114,095.

The following is a schedule of the future minimum lease payments required under the new lease (assuming the termination option will be exercised, and accordingly has been included in the "2026 and Thereafter" amount):

<b><u>Year Ended December 31,</u></b>	
2021	\$ 127,565
2022	261,516
2023	268,045
2024	330,765
2025	339,040
2026 and Thereafter	<u>1,069,072</u>
<b>TOTAL FUTURE MINIMUM LEASE PAYMENTS</b>	<b>\$ <u>2,396,003</u></b>

Rent expense during the years ended December 31, 2020 and 2019 totaled \$229,623 and \$169,455, respectively, and is included in Occupancy in the accompanying Statements of Functional Expenses.



# THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

### 7. U.S. GOVERNMENT FUNDING

WRA is the recipient of Federal awards through entities funded by the U.S. Government. During the year ended December 31, 2019, WRA was required to evaluate compliance with the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, as its expenditures of Federal awards exceeded the \$750,000 audit threshold (as required by *Uniform Guidance*). The ultimate determination of amounts received under United States Government awards is based upon the allowance of direct and indirect costs reported to and accepted by the United States Government as a result of the audit. Until such audit has been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audit.

### 8. LINE OF CREDIT

WRA maintains a \$500,000 line of credit with a local financial institution. The line of credit is secured by WRA's cash and receivables, and bears interest on outstanding borrowings equal to the Federal prime rate plus 1.00% (4.25% and 5.75% as of December 31, 2020 and 2019, respectively), and is renewable annually, subject to satisfactory credit performance. During the years ended (and as of) December 31, 2020 and 2019, there were no borrowings the line of credit.

### 9. RETIREMENT PLANS

WRA provides retirement benefits to its U.S. employees through a 401(k) profit sharing retirement plan covering those U.S. employees 18 years of age and older (employees are eligible immediately upon hire). WRA makes non-elective safe harbor contributions of five percent of eligible compensation. Contributions to the Plan during the years ended December 31, 2020 and 2019 totaled \$71,124 and \$70,277, respectively, and are included in Benefits and payroll taxes expense in the accompanying Statements of Functional Expenses.

### 10. CONCENTRATION OF REVENUE

Approximately 42% and 56% of WRA's support and revenue recognized without donor restrictions during the years ended December 31, 2020 and 2019, respectively, was derived from assistance received from a single donor. WRA has no reason to believe that the relationship with this donor will be discontinued in the foreseeable future. However, any interruption of this relationship (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect WRA's ability to finance ongoing operations.

### 11. SUBSEQUENT EVENTS

In preparing these financial statements, WRA has evaluated events and transactions for potential recognition or disclosure through August 19, 2021, the date the financial statements were issued.