

FINANCIAL STATEMENTS



**THE WHITE
RIBBON
ALLIANCE**

HEALTHY WOMEN
HEALTHY WORLD

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

THE WHITE RIBBON ALLIANCE

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of The White Ribbon Alliance (WRA), which comprise the statements of financial position as of December 31, 2021 and 2020, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WRA as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WRA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WRA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WRA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WRA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

September 15, 2022

THE WHITE RIBBON ALLIANCE
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,051,571	\$ 4,228,953
Contributions and grants receivable	1,686,032	253,010
Sub-grantee advances	68,579	233,355
Prepaid expenses	51,006	78,688
Other receivables	<u>44,161</u>	<u>14,807</u>
Total current assets	<u>3,901,349</u>	<u>4,808,813</u>
NONCURRENT ASSETS		
Security deposit	<u>76,158</u>	<u>76,158</u>
TOTAL ASSETS	<u>\$ 3,977,507</u>	<u>\$ 4,884,971</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 197,159	\$ 48,778
Accrued employee benefits	<u>42,632</u>	<u>46,455</u>
Total current liabilities	<u>239,791</u>	<u>95,233</u>
NONCURRENT LIABILITIES		
Deferred rent	<u>328,817</u>	<u>114,095</u>
Total liabilities	<u>568,608</u>	<u>209,328</u>
NET ASSETS		
Net assets without donor restrictions	277,644	117,239
Net assets with donor restrictions	<u>3,131,255</u>	<u>4,558,404</u>
Total net assets	<u>3,408,899</u>	<u>4,675,643</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,977,507</u>	<u>\$ 4,884,971</u>

THE WHITE RIBBON ALLIANCE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
U.S. Government grants	\$ 588,525	\$ -	\$ 588,525
Foundation and corporate contributions	6,421	2,149,111	2,155,532
Other contributions	54,536	-	54,536
In-kind contributions	37,221	-	37,221
Interest income	1,304	-	1,304
Net assets released from donor restrictions	<u>3,576,260</u>	<u>(3,576,260)</u>	<u>-</u>
Total support and revenue	<u>4,264,267</u>	<u>(1,427,149)</u>	<u>2,837,118</u>
EXPENSES			
Program Services	<u>3,970,344</u>	<u>-</u>	<u>3,970,344</u>
Supporting Services:			
Management and General	110,016	-	110,016
Fundraising	<u>23,502</u>	<u>-</u>	<u>23,502</u>
Total supporting services	<u>133,518</u>	<u>-</u>	<u>133,518</u>
Total expenses	<u>4,103,862</u>	<u>-</u>	<u>4,103,862</u>
Changes in net assets	160,405	(1,427,149)	(1,266,744)
Net assets at beginning of year	<u>117,239</u>	<u>4,558,404</u>	<u>4,675,643</u>
NET ASSETS AT END OF YEAR	<u>\$ 277,644</u>	<u>\$ 3,131,255</u>	<u>\$ 3,408,899</u>

THE WHITE RIBBON ALLIANCE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
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
Net assets released from donor 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>
EXPENSES			
Program Services	<u>3,077,478</u>	<u>-</u>	<u>3,077,478</u>
Supporting Services:			
Management and General	729,144	-	729,144
Fundraising	<u>41,068</u>	<u>-</u>	<u>41,068</u>
Total supporting services	<u>770,212</u>	<u>-</u>	<u>770,212</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>
NET ASSETS AT END OF YEAR	<u>\$ 117,239</u>	<u>\$ 4,558,404</u>	<u>\$ 4,675,643</u>

THE WHITE RIBBON ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 1,161,337	\$ 4,923	\$ 10,628	\$ 1,176,888
Benefits and payroll taxes	269,724	1,037	2,410	273,171
Professional fees	871,583	52,132	3,321	927,036
Occupancy	321,019	1,361	2,938	325,318
Insurance	7,274	3,502	61	10,837
Telephone	8,773	2,870	57	11,700
Travel and related expenses	21,202	-	-	21,202
Postage and delivery	253	-	77	330
Supplies	5,624	5,655	92	11,371
Subscriptions	7,829	1,054	1,996	10,879
Meeting	23,301	50	-	23,351
Equipment rental and maintenance	-	157	-	157
Sub-grants	1,262,739	1,841	-	1,264,580
Other expenses	9,686	1,676	1,922	13,284
In-kind professional fees	-	33,758	-	33,758
TOTAL	<u>\$ 3,970,344</u>	<u>\$ 110,016</u>	<u>\$ 23,502</u>	<u>\$ 4,103,862</u>

THE WHITE RIBBON ALLIANCE

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

	<u>Program Services</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
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
TOTAL	<u>\$ 3,077,478</u>	<u>\$ 729,144</u>	<u>\$ 41,068</u>	<u>\$ 3,847,690</u>

THE WHITE RIBBON ALLIANCE
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (1,266,744)	\$ (1,013,938)
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities:		
Change in present value discount on noncurrent grants and contributions receivable	-	(13,604)
(Increase) decrease in:		
Contributions and grants receivable	(1,433,022)	2,830,542
Sub-grantee advances	164,776	(129,779)
Prepaid expenses	27,682	(35,489)
Other receivables	(29,354)	(8,195)
Security deposit	-	(61,464)
Increase (decrease) in:		
Accounts payable and accrued liabilities	148,381	(4,689)
Sub-grants payable	-	(666)
Accrued employee benefits	(3,823)	(27,815)
Deferred rent	<u>214,722</u>	<u>93,512</u>
Net cash (used) provided by operating activities	<u>(2,177,382)</u>	<u>1,628,415</u>
Net (decrease) increase in cash and cash equivalents	(2,177,382)	1,628,415
Cash and cash equivalents at beginning of year	<u>4,228,953</u>	<u>2,600,538</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,051,571</u>	<u>\$ 4,228,953</u>

THE WHITE RIBBON ALLIANCE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The White Ribbon Alliance (WRA) is a locally led, globally connected grassroots movement for health and rights of women, adolescent girls and newborns. Through a diverse network of advocates, activists and technical experts in more than 80 countries, WRA works to elevate community voices - particularly women's and adolescent girls' - as the centerpieces of efforts to influence policies, programs and practices; harness resources; and enhance accountability.

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.

Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable within one year. Accordingly, an allowance for doubtful accounts has not been established.

THE WHITE RIBBON ALLIANCE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

Uncertain tax positions -

For the years ended December 31, 2021 and 2020, 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, as well as grants from the U.S. Government. Contributions and grants are recognized in the appropriate category of net assets in the period received. WRA performs an analysis of the individual contribution and grant to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

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, 2021 and 2020 aggregated \$588,525 and \$633,939, respectively.

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.

THE WHITE RIBBON ALLIANCE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

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 \$37,221 and \$78,294 during the years ended December 31, 2021 and 2020, 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, 2021 and 2020.

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.

New accounting pronouncement (not yet adopted) -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

THE WHITE RIBBON ALLIANCE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

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

New accounting pronouncement (not yet adopted) (continued) -

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 Statements 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 with fiscal years 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 standards on its accompanying financial statements.

2. 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 Changes in Net Assets.

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31, 2021 and 2020:

	2021	2020
Global Movement Partnership	\$ 1,500,000	\$ -
Advocacy for Maternal and Newborn Health II	611,623	2,490,353
Advocacy for Universal Health Coverage	370,613	707,449
What Women Want Digitization	350,146	668,299
Partnership to Advance Self-Care	219,755	599,016
Global Policy and Advocacy	47,490	-
Organizational Effectiveness	28,182	93,287
Strengthening Systems for Safer Childbirth Initiative	3,446	-
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 3,131,255	\$ 4,558,404

THE WHITE RIBBON ALLIANCE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

3. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

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

	2021	2020
Advocacy for Maternal and Newborn Health II	\$ 1,878,284	\$ 1,637,134
Partnership to Advance Self-Care	873,739	311,245
Advocacy for Universal Health Coverage	336,836	515,683
What Women Want Digitization	318,153	31,719
Organizational Effectiveness	165,105	76,713
Global Movement Partnership	-	173,867
Improving MH Measurement, Capacity and Use	-	73,922
What Women Want: Demands from Women and Girls/COVID-19	-	45,000
Global Policy and Advocacy	2,510	-
Strengthening Systems for Safer Childbirth Initiative	1,633	-
NET ASSETS RELEASED FROM RESTRICTIONS	\$ 3,576,260	\$ 2,865,283

4. LIQUIDITY

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

	2021	2020
Cash and cash equivalents	\$ 2,051,571	\$ 4,228,953
Grants and contributions receivable	1,686,032	253,010
Subgrantee advances	68,579	233,355
Other receivables	44,161	14,807
Subtotal	3,850,343	4,730,125
Less: Financial assets unavailable for expenditure within one year due to current donor imposed restrictions	(3,131,255)	(4,558,404)
FINANCIAL ASSETS AVAILABLE FOR EXPENDITURE WITHIN ONE YEAR	\$ 719,088	\$ 171,721

WRA has a policy to structure its financial assets to be available and liquid as its obligations become due. 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.

5. LEASE COMMITMENTS

On March 24, 2020, WRA entered into a 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 agreement are \$25,386 per month, subject to a 2.5% annual escalation. The first eight months of the rental payments were abated, as well as the first three months of year two and the first two months of years three and four.

THE WHITE RIBBON ALLIANCE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

5. LEASE COMMITMENTS (Continued)

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, 2021 and 2020, the total deferred rent liability aggregated \$328,817 and \$114,095, respectively.

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):

<u>Year Ended December 31,</u>	
2022	\$ 261,516
2023	268,045
2024	330,765
2025	339,040
2026	347,524
2027 and Thereafter	<u>721,549</u>
TOTAL FUTURE MINIMUM LEASE PAYMENTS	<u>\$ 2,268,439</u>

Occupancy expense for the years ended December 31, 2021 and 2020 totaled \$325,318 and \$229,623.

Additionally, WRA subleases a portion of its office space under a licensing agreement which includes use of four offices as well as reasonable use of conference rooms/common areas. The monthly license fee due WRA is \$3,700, and is due on the first day of each month. The agreement expires on June 30, 2023.

6. U.S. GOVERNMENT FUNDING CONTINGENCY

WRA is the recipient of Federal awards through entities funded by the U.S. Government. Such grants are subject to 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)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government. The Organization has not surpassed the threshold for an audit in accordance with Uniform Guidance for the years ended December 31, 2021 and 2020.

7. 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% as of December 31, 2021 and 2020), and is renewable annually, subject to satisfactory credit performance. During the years ended (and as of) December 31, 2021 and 2020, there were no borrowings the line of credit.

THE WHITE RIBBON ALLIANCE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

8. 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 upon reaching six (6) months of consecutive service. Subsequent to year-end, effective January 1, 2022, the eligibility requirements changed to include those U.S. employees 21 years of age and older upon reaching twelve (12) months of consecutive service. WRA makes non-elective safe harbor contributions of five percent of eligible compensation. Contributions to the Plan during the years ended December 31, 2021 and 2020 totaled \$53,629 and \$71,124, respectively, and are included in Benefits and payroll taxes expense in the accompanying Statements of Functional Expenses.

9. CONCENTRATION OF REVENUE

Approximately 54% and 42% of WRA's support and revenue recognized without donor restrictions during the years ended December 31, 2021 and 2020, 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.

10. SUBSEQUENT EVENTS

In preparing these financial statements, WRA has evaluated events and transactions for potential recognition or disclosure through September 15, 2022, the date the financial statements were issued.

Subsequent to year-end, WRA has entered into a combination agreement with Women's March Global as of June 24, 2022, a separate corporation with tax exempt status under IRS Section 501(c)(3). Women's March Global and The White Ribbon Alliance are united in mission and values - most notably listening to and elevating voices of women, girls, and gender diverse people—and the event will notably increase the size, scale and voracity of the movement, while maximizing impact and bolstering commitment to gender equality at a global scale. The financial statements have not been adjusted or include any amounts with respect to this matter.