

**International Refugee Assistance
Project, Inc.**

Financial Statements

August 31, 2021 and 2020

Independent Auditors' Report

Board of Directors International Refugee Assistance Project, Inc.

We have audited the accompanying financial statements of International Refugee Assistance Project, Inc. ("IRAP" or the "Organization"), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, 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. 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 auditors' 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 above present fairly, in all material respects, the financial position of International Refugee Assistance Project, Inc. as of August 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.

PKF O'Connor Davies, LLP

February 7, 2022

International Refugee Assistance Project, Inc.

Statements of Financial Position

	August 31	
	2021	2020
ASSETS		
Cash	\$ 17,641,417	\$ 12,645,828
Contributions receivable, net	1,579,690	2,289,016
Investments	5,007,230	5,001,842
Other assets	300,903	152,371
Property and equipment, net	<u>194,215</u>	<u>212,577</u>
	<u>\$ 24,723,455</u>	<u>\$ 20,301,634</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,052,457	\$ 699,679
Loan payable	1,155,217	876,856
Deferred rent	<u>85,445</u>	<u>58,284</u>
Total Liabilities	<u>2,293,119</u>	<u>1,634,819</u>
Net Assets		
Without donor restrictions	16,722,111	11,057,004
With donor restrictions	<u>5,708,225</u>	<u>7,609,811</u>
Total Net Assets	<u>22,430,336</u>	<u>18,666,815</u>
	<u>\$ 24,723,455</u>	<u>\$ 20,301,634</u>

See notes to financial statements

International Refugee Assistance Project, Inc.

Statements of Activities

	Year Ended August 31					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 12,540,086	\$ 2,708,225	\$ 15,248,311	\$ 8,950,667	\$ 6,809,811	\$ 15,760,478
In-kind donations - legal	902,074	-	902,074	947,717	-	947,717
Paycheck Protection Program loan forgiveness	883,540	-	883,540	-	-	-
Interest and dividend income	2,411	-	2,411	123,050	-	123,050
Net assets released from restrictions	4,609,811	(4,609,811)	-	3,203,522	(3,203,522)	-
Total Support and Revenue	<u>18,937,922</u>	<u>(1,901,586)</u>	<u>17,036,336</u>	<u>13,224,956</u>	<u>3,606,289</u>	<u>16,831,245</u>
EXPENSES						
Program services	11,819,025	-	11,819,025	9,130,038	-	9,130,038
Supporting services	1,470,891	-	1,470,891	1,439,745	-	1,439,745
Total Expenses	<u>13,289,916</u>	<u>-</u>	<u>13,289,916</u>	<u>10,569,783</u>	<u>-</u>	<u>10,569,783</u>
Foreign currency translation gain (loss)	<u>17,101</u>	<u>-</u>	<u>17,101</u>	<u>(7,781)</u>	<u>-</u>	<u>(7,781)</u>
Change in Net Assets	5,665,107	(1,901,586)	3,763,521	2,647,392	3,606,289	6,253,681
NET ASSETS						
Beginning of year	<u>11,057,004</u>	<u>7,609,811</u>	<u>18,666,815</u>	<u>8,409,612</u>	<u>4,003,522</u>	<u>12,413,134</u>
End of year	<u>\$ 16,722,111</u>	<u>\$ 5,708,225</u>	<u>\$ 22,430,336</u>	<u>\$ 11,057,004</u>	<u>\$ 7,609,811</u>	<u>\$ 18,666,815</u>

See notes to financial statements

International Refugee Assistance Project, Inc.

Statement of Functional Expenses Year Ended August 31, 2021

	Program Services					Supporting Services				Total
	Communications	Legal Services	Litigation	Policy	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salary expense	\$ 355,503	\$ 4,309,208	\$ 1,212,873	\$ 753,503	\$ 225,038	\$ 6,856,125	\$ 219,449	\$ 560,385	\$ 779,834	\$ 7,635,959
Employee benefits	136,300	1,303,346	432,777	205,899	76,705	2,155,027	55,833	183,426	239,259	2,394,286
Total Personnel Costs	<u>491,803</u>	<u>5,612,554</u>	<u>1,645,650</u>	<u>959,402</u>	<u>301,743</u>	<u>9,011,152</u>	<u>275,282</u>	<u>743,811</u>	<u>1,019,093</u>	<u>10,030,245</u>
Depreciation	3,476	38,585	11,471	6,257	1,738	61,527	2,781	5,214	7,995	69,522
Insurance	2,583	84,274	20,785	4,036	4,923	116,601	715	4,090	4,805	121,406
Occupancy expense	34,688	336,717	86,966	57,748	18,893	535,012	18,311	40,046	58,357	593,369
Bank and credit card fees	6	7,995	11	6	2	8,020	7,789	32,950	40,739	48,759
Client assistance and court fees	-	60,845	6,046	-	-	66,891	-	-	-	66,891
Materials and supplies	1,005	26,656	3,829	1,908	536	33,934	2,557	1,596	4,153	38,087
Travel and meals	592	50,480	6,391	1,133	321	58,917	331	1,010	1,341	60,258
Membership/subscriptions	23,384	67,433	22,533	11,288	1,475	126,113	4,975	29,366	34,341	160,454
Professional development	2,773	36,544	11,277	7,221	663	58,478	1,061	3,281	4,342	62,820
Accounting and audit	7,650	53,962	19,125	15,300	3,825	99,862	111,331	15,300	126,631	226,493
Design and development	41,252	2,425	49	-	-	43,726	-	14,256	14,256	57,982
Interpretation	15,641	119,018	1,796	-	263	136,718	-	-	-	136,718
Legal services	-	170,422	-	-	62,917	233,339	141	-	141	233,480
Payroll service and retirement plan fees	4,627	37,331	15,843	8,247	2,642	68,690	8,303	7,546	15,849	84,539
Other consultants	-	34,765	111,075	-	10,500	156,340	191	500	691	157,031
Recruiting and strategic planning	5,119	51,846	15,087	8,229	2,286	82,567	3,657	7,118	10,775	93,342
Resiliency, DEIA	5,036	55,904	16,620	9,066	2,518	89,144	4,029	7,555	11,584	100,728
In-kind services - legal	45,104	500,651	148,842	81,187	22,552	798,336	36,082	67,656	103,738	902,074
Other business expenses	8,229	21,735	2,386	979	329	33,658	10,523	1,537	12,060	45,718
Total Expenses	<u>\$ 692,968</u>	<u>\$ 7,370,142</u>	<u>\$ 2,145,782</u>	<u>\$ 1,172,007</u>	<u>\$ 438,126</u>	<u>\$ 11,819,025</u>	<u>\$ 488,059</u>	<u>\$ 982,832</u>	<u>\$ 1,470,891</u>	<u>\$ 13,289,916</u>

See notes to financial statements

International Refugee Assistance Project, Inc.

**Statement of Functional Expenses
Year Ended August 31, 2020**

	Program Services				Total Program Services	Supporting Services			Total
	Communications	Legal Services	Litigation	Policy		Management and General	Fundraising	Total Supporting Services	
Salary expense	\$ 250,509	\$ 3,380,087	\$ 934,046	\$ 478,743	\$ 5,043,385	\$ 165,430	\$ 522,096	\$ 687,526	\$ 5,730,911
Employee benefits	89,197	965,487	296,678	113,657	1,465,019	33,948	159,154	193,102	1,658,121
Total Personnel Costs	339,706	4,345,574	1,230,724	592,400	6,508,404	199,378	681,250	880,628	7,389,032
Depreciation	2,401	32,979	7,924	3,362	46,666	3,602	4,322	7,924	54,590
Insurance	2,072	76,860	16,069	6,338	101,339	2,288	4,632	6,920	108,259
Occupancy expense	30,677	332,329	94,840	36,429	494,275	20,908	53,402	74,310	568,585
Bank and credit card fees	-	6,060	9	-	6,069	15,691	20,019	35,710	41,779
Client assistance and court fees	-	40,148	7,139	-	47,287	-	-	-	47,287
Materials and supplies	1,451	47,462	5,188	1,930	56,031	618	1,959	2,577	58,608
Travel and meals	3,097	106,097	36,738	14,919	160,851	15,361	14,409	29,770	190,621
Membership/subscriptions	6,394	43,261	15,622	15,082	80,359	4,845	23,111	27,956	108,315
Professional development	1,424	20,887	3,774	1,082	27,167	1,114	4,758	5,872	33,039
Accounting and audit	9,928	53,777	13,237	9,928	86,870	145,177	13,237	158,414	245,284
Design and development	48,469	250	-	-	48,719	112	10,504	10,616	59,335
Interpretation	167	72,138	2,024	988	75,317	-	-	-	75,317
Legal services	-	186,100	7,783	-	193,883	1,440	-	1,440	195,323
Recruiting services	8,762	146,026	37,774	14,238	206,800	7,666	20,809	28,475	235,275
In-kind services - legal	37,909	563,892	161,112	61,601	824,514	33,170	90,033	123,203	947,717
Other consultants	50	24,910	116,204	750	141,914	4,086	38,694	42,780	184,694
Other business expenses	1,564	19,762	1,874	373	23,573	2,608	542	3,150	26,723
Total Expenses	\$ 494,071	\$ 6,118,512	\$ 1,758,035	\$ 759,420	\$ 9,130,038	\$ 458,064	\$ 981,681	\$ 1,439,745	\$ 10,569,783

See notes to financial statements

International Refugee Assistance Project, Inc.

Statements of Cash Flows

	Year Ended August 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,763,521	\$ 6,253,681
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	69,522	54,590
Deferred rent	27,161	27,259
Paycheck Protection Program loan forgiveness	(876,856)	-
Change in operating assets and liabilities		
Contributions receivable	709,326	571,519
Other assets	(148,532)	(103,390)
Accounts payable and accrued expenses	352,778	108,084
Net Cash from Operating Activities	3,896,920	6,911,743
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(5,388)	(5,001,842)
Purchase of property and equipment	(51,160)	(146,747)
Net Cash from Investing Activities	(56,548)	(5,148,589)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	1,155,217	876,856
 Change in Cash	4,995,589	2,640,010
 CASH		
Beginning of year	12,645,828	10,005,818
End of year	\$ 17,641,417	\$ 12,645,828

See notes to financial statements

International Refugee Assistance Project, Inc.

Notes to Financial Statements
August 31, 2021 and 2020

1. Organization and Tax Status

The International Refugee Assistance Project, Inc. (“IRAP” or the “Organization”) organizes law students and lawyers to develop and enforce a set of legal and human rights for refugees and displaced persons. Mobilizing direct legal aid, litigation, and systemic advocacy, IRAP serves the world’s most persecuted individuals and empowers the next generation of human rights leaders.

IRAP’s innovative model mobilizes legal resources to advocate for people fleeing from war, hostility, and political upheaval around the world. In addition to legal, litigation, and policy work spearheaded from IRAP’s headquarters in New York, IRAP provides refugees with critical, on-the-ground assistance through field offices in Lebanon, Jordan and Berlin. As the only organization to provide refugees with comprehensive legal representation through every step of the process, IRAP is further distinguished in its ability to utilize the insights gained from direct client representation to advocate for systemic changes (through litigation and policy advocacy) that benefit refugee populations across the globe and ensure their rights are upheld.

IRAP believes that everyone should have a safe place to live and a safe way to get there. IRAP’s approach is grounded in three distinct, but interrelated strategies:

IRAP has created a virtual public interest law firm—a firm that is not impeded by geographical boundaries and uses technological solutions to deliver free high-quality legal aid to at-risk refugees and displaced people, leveraging a volunteer network of over 2,000 law students and pro bono attorneys.

Through impact litigation and systemic advocacy, IRAP brings legal challenges to refugee rights violations in the courts, creates solutions to overcoming the legal and bureaucratic impediments in the resettlement process, and develops an enforceable system of legal and procedural rights for refugees and displaced people worldwide.

By offering service-learning opportunities through IRAP’s legal aid model, IRAP trains the next generation of human rights leaders. IRAP educates and mentors law school students on legal issues affecting refugees, provides them with vital hands-on experience, and empowers them to advocate for the human rights of vulnerable populations.

Other programs expenses reflected in the August 31, 2021 statement of functional expenses include expenses for the following programs: Legal Strategy, Climate, and Monitoring, Evaluation and Learning. In fiscal 2021, IRAP also created new general ledger accounts for the following program activities: Diversity, Equity, Inclusion and Accessibility (“DEIA”), resiliency, strategic planning and recruitment activities, in order to track the investments in these areas.

IRAP was incorporated in New York in 2017. IRAP was originally the Iraqi Refugee Assistance Project and was founded as a student organization at Yale Law School in 2008. IRAP later became a project of the Urban Justice Center (UJC.) IRAP officially separated from UJC on December 23, 2018 and agreed upon separating funds held by UJC raised by or on behalf of IRAP as of October 31, 2018.

International Refugee Assistance Project, Inc.

Notes to Financial Statements
August 31, 2021 and 2020

1. Organization and Tax Status *(continued)*

Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") and corresponding state provisions.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net Asset Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: those without donor restrictions and those with donor restrictions. Net assets without donor restrictions are those net assets that are not subject to donor-imposed restrictions. Net assets with donor restrictions are subject to donor stipulations that limit the use of their contributions, which either expire by the passage of time or when used for specified purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Contributions with donor restrictions received and expended in the same fiscal year are included as revenues without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Credit Risk Concentration

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist primarily of contributions receivable, which are expected to be collected in the normal course of business, cash and investments. At times cash balances held at financial institutions may be in excess of federally insured limits. The Organization has not experienced any losses on its cash deposits. The investment portfolio is diversified by type of investment so that no individual investment or group of investments represents a significant concentration of market risk.

International Refugee Assistance Project, Inc.

Notes to Financial Statements
August 31, 2021 and 2020

2. Summary of Significant Accounting Policies *(continued)*

Contributions Receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable are recorded at net realizable value if expected to be collected in one year and, if material, multiyear receivables are recorded at the present value of their estimated future cash flow using an interest rate commensurate with the risk involved. If applicable, amortization of the discount is included in contribution revenue. The allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. There were no significant contributions that management deemed to be uncollectible as of August 31, 2021.

Investments

The Organization considers cash in its investment portfolio, cash maintained in a sweep account and other short-term securities to be investments.

Property and Equipment

Property and equipment are stated at cost if purchased, or if acquired in-kind, at their fair value at the date of the gift. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method:

Furniture and fixtures	7 years
Computers and equipment	3-5 years

Contributions Revenue

Contribution revenue, including promises to give and donated securities, are recognized when received.

Donated contributions of services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received.

International Refugee Assistance Project, Inc.

Notes to Financial Statements
August 31, 2021 and 2020

2. Summary of Significant Accounting Policies *(continued)*

Functional Allocation of Expenses

The costs of providing programs and supporting services have been summarized on a functional basis in the statements of activities. Some costs are directly charged to each service area as they are clearly identified as program services or supporting services. Indirect costs are allocated to the different programs and supporting service areas benefited based on annual employee time allocations and full time equivalent that have been calculated and reviewed by management. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Based on time and effort
Occupancy	Based on personnel location/department
Insurance	Based on personnel location/department

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. Periods since the initial tax filing for the year ended August 31, 2018 remain open to examination.

Evaluation of Subsequent Events by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 7, 2022.

International Refugee Assistance Project, Inc.

Notes to Financial Statements
August 31, 2021 and 2020

3. Liquidity and Availability of Resources

Financial assets available for general expenditures, that is, without donor restrictions limiting their use, within one year of the statement of financial position date were as follows at August 31:

	2021	2020
Financial assets:		
Cash	\$ 17,641,417	\$ 12,645,828
Contributions receivable, net	1,579,690	2,289,016
Investments	5,007,230	5,001,842
Total Financial Assets	24,228,337	19,936,686
Less those unavailable for general expenditure within one year, due to:		
Restricted cash - standby letter of credit	(252,314)	(252,314)
Contractual or donor-imposed restricted amounts:		
Restricted by donor with time or purpose restrictions	(5,708,225)	(7,609,811)
	(5,960,539)	(7,862,125)
Add next year's release of donor restrictions	5,342,403	4,609,811
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 23,610,201	\$ 16,684,372

As part of IRAP's liquidity management, it has the goal of having assets on hand to meet twelve months of normal operating expenses, which are, on average, \$1,100,000 per month. This goal is not a required minimum and spending of this reserve is made at management's discretion. As part of its liquidity management, IRAP has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations become due.

4. Investments

Investments are recorded at cost and consist of the following as of August 31:

	2021	2020
Cash	\$ 5,007,230	\$ 3,761,453
Certificates of deposit	-	1,240,389
	\$ 5,007,230	\$ 5,001,842

International Refugee Assistance Project, Inc.

Notes to Financial Statements
August 31, 2021 and 2020

5. Contributions Receivable

Contributions receivable consisted of the following as of August 31:

	<u>2021</u>	<u>2020</u>
Amount due in less than one year	\$ 1,460,263	\$ 1,814,805
Amount due from one to five years	<u>125,100</u>	<u>500,000</u>
	1,585,363	2,314,805
Discount on multi-year contributions receivable, at 3.331%	<u>(5,673)</u>	<u>(25,789)</u>
Contributions Receivable, net	<u>\$ 1,579,690</u>	<u>\$ 2,289,016</u>

During the years ended August 31, 2021 and 2020, approximately 33% and 48% of the Organization's contributions were from three donors and one donor, respectively. On August 31, 2021 and 2020, approximately 73% and 84% of the Organization's contributions receivable were from four donors.

6. Property and Equipment

Property and equipment consist of the following as of August 31:

	<u>2021</u>	<u>2020</u>
Furniture and fixtures	\$ 85,095	\$ 84,904
Computers and equipment	<u>242,722</u>	<u>191,753</u>
	327,817	276,657
Less: Accumulated depreciation	<u>(133,602)</u>	<u>(64,080)</u>
	<u>\$ 194,215</u>	<u>\$ 212,577</u>

Depreciation expense was \$69,522 and \$54,590 for the years ended August 31, 2021, and 2020 and is presented in the statements of functional expenses.

7. Loan Payable

On May 13, 2020, the Organization received a \$876,856 Paycheck Protection Program loan (the "PPP Loan") from the Small Business Administration ("SBA"). The PPP Loan has an interest rate of 1.00% per annum. If certain conditions are met, the above loan may be forgiven.

In February 2021, the defined conditions were met, and as a result, the SBA notified the Organization that their PPP loan was forgiven. Under requirements contained in ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made," the Organization recognized the full amount of the proceeds from the PPP loan as PPP loan forgiveness in the 2021 statement of activities.

International Refugee Assistance Project, Inc.

Notes to Financial Statements August 31, 2021 and 2020

7. Loan Payable (*continued*)

On March 13, 2021, the Organization received a second PPP Loan from the SBA in the amount of \$1,155,217. This loan is scheduled to mature in March 2026, has an interest rate of 1.0% per annum and no payments are due until July 2022. If certain conditions are met, this loan may also be forgiven.

In February 2022, the defined conditions were met, and as a result, the SBA notified the Organization that the second PPP loan was forgiven.

8. Net Assets with Donor Restrictions

The following summarizes the changes in net assets with donor restrictions and the related purposes for the years ended August 31, 2021 and 2020:

Program	Balance, September 1, 2020	Contributions	Released from Restrictions	Balance, August 30, 2021
Subject to expenditure for specified purpose:				
Supervising Attorney Salary	\$ 123,222	\$ -	\$ -	\$ 123,222
Fellowship Stipends	117,500	-	-	117,500
Subject to passage of time:				
Program services	<u>7,369,089</u>	<u>2,708,225</u>	<u>4,609,811</u>	<u>5,467,503</u>
Total Net Assets with Donor Restrictions	<u>\$ 7,609,811</u>	<u>\$ 2,708,225</u>	<u>\$ 4,609,811</u>	<u>\$ 5,708,225</u>
	Balance, September 1, 2019	Contributions	Released from Restrictions	Balance, August 30, 2020
Subject to expenditure for specified purpose:				
Supervising Attorney Salary	\$ 123,222	\$ -	\$ -	\$ 123,222
Fellowship Stipends	117,500	-	-	117,500
Subject to passage of time:				
Program services	<u>3,762,800</u>	<u>6,809,811</u>	<u>3,203,522</u>	<u>7,369,089</u>
Total Net Assets with Donor Restrictions	<u>\$ 4,003,522</u>	<u>\$ 6,809,811</u>	<u>\$ 3,203,522</u>	<u>\$ 7,609,811</u>

International Refugee Assistance Project, Inc.

Notes to Financial Statements
August 31, 2021 and 2020

9. In-Kind Contributions

The Organization received donated legal services amounting to \$902,074 and \$947,717 for the years ended August 31, 2021 and 2020. Such services are reflected as revenue and expense in the accompanying statements of activities.

10. Commitments

Leases

The Organization leases office space in Manhattan, New York under a non-cancelable operating lease set to expire August 31, 2029. The Organization is entitled to a conditional rent holiday and does not have to pay rent for the first month of each year, for the first six years of the lease. In lieu of a security deposit for the New York office lease, the Organization was required to provide the landlord with a standby letter of credit issued by a bank in the amount of \$252,314, secured by the balance held in the Organization's bank account.

The Organization leases office space in Jordan, Lebanon and Berlin. The Jordan lease expires in December 2023. The Lebanon space consists of three separate leases for the first, third and sixth floors in the same building. The three leases are all for one year with an option to renew upon expiration. There is no formal lease for the office space in Berlin and as such, this lease is on a month to month basis.

Future minimum rental payments over the base term of all leases are approximately as follows:

2022	\$ 391,000
2023	391,000
2024	359,000
2025	359,000
2026	359,000
Thereafter	<u>1,319,000</u>
	<u>\$ 3,178,000</u>

Rent expense was approximately \$472,000 and \$470,000 for the years ended August 31, 2021 and 2020.

Rent expense is recognized on a straight-line basis over the term of the lease. The difference between rental payments made under these leases and rent expense calculated on a straight-line basis is recorded as deferred rent payable and is reflected in the accompanying statements of financial position.

International Refugee Assistance Project, Inc.

Notes to Financial Statements
August 31, 2021 and 2020

11. Employee Benefits

Effective February 1, 2019, the Organization provides access to Regular and Roth 401(k) retirement plans for eligible employees. The Organization provides a matching contribution equal to 100% of an eligible employee's deferral contributions which do not exceed 3% of the employee's compensation, plus 50% of an eligible employee's deferral contributions which exceed 3% but does not exceed 4% of the employee's compensation. The amount contributed to the plans was approximately \$188,000 for the year ended August 31, 2021. There were no contributions for the year ended August 31, 2020.

12. Contingencies

The ongoing Coronavirus ("COVID-19") pandemic has resulted in substantial volatility in the global economy. COVID-19 has had and may continue to have an adverse effect on the results of the Organization's operations. Given the uncertainty around the extent and timing of the potential future spread or migration of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

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