

**International Refugee Assistance
Project, Inc. and Subsidiary**

Consolidated Financial Statements

August 31, 2022 and 2021



Independent Auditors' Report

Board of Directors International Refugee Assistance Project, Inc. and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of International Refugee Assistance Project, Inc. and Subsidiary ("IRAP" or the "Organization"), which comprise the consolidated statements of financial position as of August 31, 2022 and 2021 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of August 31, 2022 and 2021, and the consolidated 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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. 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 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

PKF O'Connor Davies, LLP

October 16, 2023

International Refugee Assistance Project, Inc. and Subsidiary

Consolidated Statements of Financial Position

	August 31	
	2022	2021
ASSETS		
Cash	\$ 35,635,224	\$ 17,641,417
Contributions receivable, net	31,224,794	1,579,690
Investments	4,995,694	5,007,230
Other assets	358,585	300,903
Property and equipment, net	131,823	194,215
	\$ 72,346,120	\$ 24,723,455
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,323,909	\$ 1,052,457
Loan payable	-	1,155,217
Deferred rent	112,606	85,445
Total Liabilities	1,436,515	2,293,119
 Net Assets		
Without donor restrictions	15,551,388	16,722,111
With donor restrictions	55,358,217	5,708,225
Total Net Assets	70,909,605	22,430,336
	\$ 72,346,120	\$ 24,723,455

See notes to consolidated financial statements

International Refugee Assistance Project, Inc. and Subsidiary

Consolidated Statements of Activities

	Year Ended August 31					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 7,072,246	\$ 57,223,170	\$ 64,295,416	\$ 12,540,086	\$ 2,708,225	\$ 15,248,311
In-kind donations - legal	849,940	-	849,940	902,074	-	902,074
Paycheck Protection Program loan forgiveness	1,155,217	-	1,155,217	876,856	-	876,856
Settlement agreement fees	530,792	-	530,792	-	-	-
Interest and dividend income	232,791	-	232,791	9,095	-	9,095
Net assets released from restrictions	7,573,178	(7,573,178)	-	4,609,811	(4,609,811)	-
Total Support and Revenue	<u>17,414,164</u>	<u>49,649,992</u>	<u>67,064,156</u>	<u>18,937,922</u>	<u>(1,901,586)</u>	<u>17,036,336</u>
EXPENSES						
Program services	15,916,911	-	15,916,911	11,819,025	-	11,819,025
Supporting services	2,457,117	-	2,457,117	1,470,891	-	1,470,891
Total Expenses	<u>18,374,028</u>	<u>-</u>	<u>18,374,028</u>	<u>13,289,916</u>	<u>-</u>	<u>13,289,916</u>
Foreign currency translation gain (loss)	(210,859)	-	(210,859)	17,101	-	17,101
Change in Net Assets	(1,170,723)	49,649,992	48,479,269	5,665,107	(1,901,586)	3,763,521
NET ASSETS						
Beginning of year	16,722,111	5,708,225	22,430,336	11,057,004	7,609,811	18,666,815
End of year	<u>\$ 15,551,388</u>	<u>\$ 55,358,217</u>	<u>\$ 70,909,605</u>	<u>\$ 16,722,111</u>	<u>\$ 5,708,225</u>	<u>\$ 22,430,336</u>

See notes to consolidated financial statements

International Refugee Assistance Project, Inc. and Subsidiary

Consolidated Statement of Functional Expenses Year Ended August 31, 2022

	Program Services					Supporting Services				Total
	Communications	Legal Services	Litigation	Policy	Other Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salary expense	\$ 509,779	\$ 5,329,672	\$ 1,300,048	\$ 912,519	\$ 782,128	\$ 8,834,146	\$ 554,970	\$ 797,524	\$ 1,352,494	\$ 10,186,640
Employee benefits	183,919	1,782,560	515,123	297,471	241,427	3,020,500	90,380	266,794	357,174	3,377,674
Total Personnel Costs	<u>693,698</u>	<u>7,112,232</u>	<u>1,815,171</u>	<u>1,209,990</u>	<u>1,023,555</u>	<u>11,854,646</u>	<u>645,350</u>	<u>1,064,318</u>	<u>1,709,668</u>	<u>13,564,314</u>
Depreciation	3,695	59,475	12,195	6,652	1,848	83,865	2,956	5,543	8,499	92,364
Insurance	2,428	102,863	18,537	3,776	8,336	135,940	4,161	3,237	7,398	143,338
Occupancy expense	31,349	438,085	104,047	47,347	39,623	660,451	3,629	16,215	19,844	680,295
Bank and credit card fees	-	10,202	-	-	20	10,222	4,225	41,621	45,846	56,068
Client assistance and court fees	-	56,509	4,654	-	-	61,163	-	-	-	61,163
Materials and supplies	4,826	66,240	12,035	6,244	2,442	91,787	11,437	9,305	20,742	112,529
Travel and meals	10,554	241,752	29,723	34,244	22,077	338,350	4,412	15,568	19,980	358,330
Membership/subscriptions	44,864	124,344	45,161	40,068	29,416	283,853	54,423	37,783	92,206	376,059
Professional development	2,515	38,217	13,683	4,563	1,868	60,846	8,627	11,206	19,833	80,679
Accounting and audit	7,698	75,471	15,395	7,698	15,395	121,657	86,561	28,444	115,005	236,662
Design and development	378,312	-	-	-	-	378,312	-	32,960	32,960	411,272
Interpretation	-	125,463	4,727	823	18,323	149,336	965	18	983	150,319
Legal services	-	185,176	608	-	100,835	286,619	481	-	481	287,100
Payroll service and retirement plan fees	2,301	14,689	7,964	3,717	1,239	29,910	64,064	3,717	67,781	97,691
Other consultants	-	100,681	1,550	200	96,610	199,041	224,404	8,268	232,672	431,713
Recruiting and strategic planning	14,779	164,044	48,770	26,602	7,389	261,584	11,823	25,929	37,752	299,336
Resiliency, DEIA	1,848	21,710	6,098	3,326	924	33,906	1,478	6,567	8,045	41,951
In-kind services - legal	-	849,940	-	-	-	849,940	-	-	-	849,940
Other business expenses	1,957	16,474	4,714	1,618	720	25,483	13,021	4,401	17,422	42,905
Total Expenses	<u>\$ 1,200,824</u>	<u>\$ 9,803,567</u>	<u>\$ 2,145,032</u>	<u>\$ 1,396,868</u>	<u>\$ 1,370,620</u>	<u>\$ 15,916,911</u>	<u>\$ 1,142,017</u>	<u>\$ 1,315,100</u>	<u>\$ 2,457,117</u>	<u>\$ 18,374,028</u>

See notes to consolidated financial statements

International Refugee Assistance Project, Inc. and Subsidiary

Consolidated 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>9,011,151</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	<u>8,229</u>	<u>21,735</u>	<u>2,386</u>	<u>979</u>	<u>329</u>	<u>33,658</u>	<u>10,523</u>	<u>1,537</u>	<u>12,060</u>	<u>45,718</u>
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 consolidated financial statements

International Refugee Assistance Project, Inc. and Subsidiary

Consolidated Statements of Cash Flows

	Year Ended August 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 48,479,269	\$ 3,763,521
Adjustments to reconcile change in net assets to net cash from operating activities		
Discount on multi-year contributions	2,576,772	(20,116)
Unrealized loss on investments	28,759	-
Depreciation	92,364	69,522
Deferred rent	27,161	27,161
Paycheck Protection Program loan forgiveness	(1,155,217)	(876,856)
Change in operating assets and liabilities		
Contributions receivable	(32,221,876)	729,442
Other assets	(57,682)	(148,532)
Accounts payable and accrued expenses	271,452	352,778
Net Cash from Operating Activities	18,041,002	3,896,920
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(17,223)	(5,388)
Purchase of property and equipment	(29,972)	(51,160)
Net Cash from Investing Activities	(47,195)	(56,548)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	-	1,155,217
Change in Cash	17,993,807	4,995,589
CASH		
Beginning of year	17,641,417	12,645,828
End of year	\$ 35,635,224	\$ 17,641,417

See notes to consolidated financial statements

International Refugee Assistance Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

1. Organization and Tax Status

The International Refugee Assistance Project, Inc. (“IRAP” or the “Organization”) is a global legal aid and advocacy organization working to create a world where refugees and all people seeking safety are empowered to claim their right to freedom of movement and a path to lasting refuge.

Through legal aid and information, impact litigation, policy advocacy, strategic communication, and partner capacity-building, IRAP is purpose-built to improve outcomes for millions of displaced people facing urgent situations and resettlement needs. IRAP is powered by displaced people, staff, pro bono partners, student advocates, and a network of partners around the world to innovate smart, durable, and scalable solutions for migrants everywhere to have agency over their journeys to safety.

In the fall of 2021, IRAP launched a six-year growth project with the support of multi-year funding through The Audacious Project, a collaborative funding initiative housed at TED, to serve 2.5 million forced migrants worldwide by 2027 and strengthen refugee-led and local partner organizations around the globe. With forced migration rising, IRAP’s scale-up will comprise building out the world’s most robust and accessible virtual legal information platform for displaced people, investing resources into capacity-building for frontline partners, and extending presence, partnerships, and systemic change work throughout the world. In support of this project, IRAP was granted a total of \$53M to be utilized in six years (2022-2027).

With offices in New York City, Washington, D.C., Berlin, Germany, Amman, Jordan, and Beirut, Lebanon, IRAP delivers free, high-quality legal services to displaced people, regardless of where they reside.

Legal Services: IRAP has an innovative model of mobilizing legal resources to provide direct client services and advocate for refugees and displaced persons. IRAP assures safe passage to destination countries and shape thought and practice in the United States and around the globe to ensure fair and humane treatment of forced migrants.

Systemic Advocacy: Utilizing the lessons learned in individual casework, IRAP advocates for systemic change that benefit broader refugee populations. IRAP’s team finds creative ways to partner with broad coalitions to push for global refugee protections.

Litigation: IRAP’s litigation department brings systemic litigation to help refugees, asylum-seekers, and others in need of a safe place to call home. The litigation team leverages IRAP’s relationships with thousands of clients, expertise in providing direct client services, and connections to advocates around the world to advance the rights of all people to safe passage and to the opportunity to thrive.

IRAP was incorporated in New York in 2017. IRAP was originally named 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. and Subsidiary

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

1. Organization and Tax Status (continued)

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of International Refugee Assistance Project, Inc. and International Refugee Assistance Project Berlin GMBH. All material intercompany accounts and transactions are eliminated in consolidation.

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 consolidated 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 consolidated 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.

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.

Fair Value Measurements

The Organization follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

International Refugee Assistance Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

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

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.

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, 2022 and 2021.

Investments Valuation and Income Recognition

The Organization considers cash in its investment portfolio, cash maintained in a sweep account and other short-term securities to be investments. Investments, other than short-term securities, are carried at fair value. Cash investments are valued at cost plus accrued interest. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

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

International Refugee Assistance Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

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

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.

Settlement Agreement Fees

Settlement agreement fees are the litigation reimbursements to the Organization from United States federal agencies, for those costs incurred by the Organization when pursuing legal claims or litigation on behalf of the refugees.

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.

Other programs expenses reflected in the August 31, 2022 consolidated statement of functional expenses include expenses for the following programs: Legal Strategy, Climate, and Monitoring, Evaluation and Learning. In fiscal year 2022, IRAP initiated the following program activities: Diversity, Equity, Inclusion and Accessibility (“DEIA”), resiliency, strategic planning and recruitment activities

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, 2019 remain open to examination.

International Refugee Assistance Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

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

Evaluation of Subsequent Events by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is October 16, 2023.

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:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 35,635,224	\$ 17,641,417
Contributions receivable, net	31,224,794	1,579,690
Investments	<u>4,995,694</u>	<u>5,007,230</u>
Total Financial Assets	<u>71,855,712</u>	<u>24,228,337</u>
Less those unavailable for general expenditure within one year, due to:		
Restricted cash - standby letter of credit	(514,524)	(252,314)
Contractual or donor-imposed restricted amounts:		
Restricted by donor with time or purpose restrictions	<u>(55,358,217)</u>	<u>(5,708,225)</u>
	<u>(55,872,741)</u>	<u>(5,960,539)</u>
Add next year's release of donor restrictions	<u>8,027,239</u>	<u>5,342,403</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 24,010,210</u>	<u>\$ 23,610,201</u>

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.

International Refugee Assistance Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements August 31, 2022 and 2021

4. Investments

Investments, other than cash, bought, sold and held were valued using level 1 inputs under the fair value hierarchy and consist of the following as of August 31:

	2022	2021
Cash	\$ 1,080,632	\$ 5,007,230
United States Treasury Notes	<u>3,915,062</u>	<u>-</u>
	<u>\$ 4,995,694</u>	<u>\$ 5,007,230</u>

5. Contributions Receivable

Contributions receivable consisted of the following as of August 31:

	2022	2021
Amount due in less than one year	\$ 8,027,239	\$ 1,460,263
Amount due from one to five years	<u>25,780,000</u>	<u>125,100</u>
	33,807,239	1,585,363
Discount on multi-year contributions receivable at 4.75%	<u>(2,582,445)</u>	<u>(5,673)</u>
Contributions Receivable, net	<u>\$ 31,224,794</u>	<u>\$ 1,579,690</u>

During the years ended August 31, 2022 and 2021, approximately 41% and 33% of the Organization's contributions were from three donors. At August 31, 2022 and 2021, approximately 42% and 73% of the Organization's contributions receivable were from two donors and four donors, respectively.

6. Property and Equipment

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

	2022	2021
Furniture and fixtures	\$ 84,904	\$ 85,095
Computers and equipment	<u>272,885</u>	<u>242,722</u>
	357,789	327,817
Less: Accumulated depreciation	<u>(225,966)</u>	<u>(133,602)</u>
	<u>\$ 131,823</u>	<u>\$ 194,215</u>

Depreciation expense was \$92,364 and \$69,522 for the years ended August 31, 2022, and 2021 and is presented in the consolidated statements of functional expenses.

International Refugee Assistance Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements August 31, 2022 and 2021

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 consolidated statement of activities.

On March 13, 2021, the Organization received a second PPP Loan from the SBA in the amount of \$1,155,217. 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 2022, 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 2022 consolidated statement of activities.

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, 2022 and 2021:

Program	Balance, September 1, 2021	Contributions	Released from Restrictions	Balance, August 31, 2022
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>5,467,503</u>	<u>57,223,170</u>	<u>7,573,178</u>	<u>55,117,495</u>
Total Net Assets with Donor Restrictions	<u>\$ 5,708,225</u>	<u>\$ 57,223,170</u>	<u>\$ 7,573,178</u>	<u>\$ 55,358,217</u>

International Refugee Assistance Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

8. Net Assets with Donor Restrictions *(continued)*

Program	Balance, September 1, 2020	Contributions	Released from Restrictions	Balance, August 31, 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>

9. In-Kind Contributions

The Organization received donated legal services amounting to \$849,940 and \$902,074 for the years ended August 31, 2022 and 2021. Such services are valued based on current rates of legal services provided by a law firm and are not restricted. These services are reflected as revenue and legal expense services 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 \$514,524 and \$252,314 for the years ended August 31, 2022 and 2021, secured by the balance held in the Organization's bank account.

The Organization leases office space in Jordan, Lebanon and Germany. 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 Germany and as such, this lease is on a month to month basis.

International Refugee Assistance Project, Inc. and Subsidiary

Notes to Consolidated Financial Statements
August 31, 2022 and 2021

10. Commitments *(continued)*

Leases (continued)

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

2023	\$ 391,000
2024	391,000
2025	359,000
2026	359,000
2027	359,000
Thereafter	<u>928,000</u>
	<u>\$ 2,787,000</u>

Rent expense was approximately \$540,000 and \$472,000 for the years ended August 31, 2022 and 2021.

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 consolidated statements of financial position.

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 not to exceed the first 3% of the employee's compensation, plus 50% of an eligible employee's deferral contributions after the first 3% of contributions, up to a maximum contribution not to exceed 4% of the employee's compensation. The amount contributed to the plans was approximately \$247,000 and \$188,000 for the years ended August 31, 2022 and 2021.

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**International Refugee Assistance
Project, Inc. and Subsidiary**

Supplementary Financial Information

August 31, 2022

International Refugee Assistance Project, Inc. and Subsidiary

Consolidated Statements of Financial Position

	International Refugee Assistance Project Inc.	International Refugee Assistance Project Germany	Eliminating Entries	Total
ASSETS				
Cash	\$ 35,568,621	\$ 66,603	\$ -	\$ 35,635,224
Contributions receivable, net	31,224,794	-	-	31,224,794
Investments	4,995,694	-	-	4,995,694
Other assets	348,260	10,325	-	358,585
Property and equipment, net	126,040	5,783	-	131,823
	<u>\$ 72,263,409</u>	<u>\$ 82,711</u>	<u>\$ -</u>	<u>\$ 72,346,120</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	\$ 1,296,095	\$ 27,814	\$ -	\$ 1,323,909
Deferred rent	112,606	-	-	112,606
Total Liabilities	1,408,701	27,814	\$ -	1,436,515
Net Assets				
Without donor restrictions	15,551,388	-	-	15,551,388
With donor restrictions	55,303,320	54,897	-	55,358,217
Total Net Assets	70,854,708	54,897	-	70,909,605
	<u>\$ 72,263,409</u>	<u>\$ 82,711</u>	<u>\$ -</u>	<u>\$ 72,346,120</u>

See notes to consolidated financial statements

International Refugee Assistance Project, Inc. and Subsidiary

Consolidated Statements of Activities

	International Refugee Assistance Project, Inc.			International Refugee Assistance Project Germany	Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions		
SUPPORT AND REVENUE						
Contributions	\$ 7,072,246	\$ 57,223,170	\$ 64,295,416	\$ 1,287,470	\$ (1,287,470)	\$ 64,295,416
In-kind donations - legal	849,940	-	849,940	-	-	849,940
Paycheck Protection Program loan forgiveness	1,155,217	-	1,155,217	-	-	1,155,217
Settlement agreement fees	530,792	-	530,792	-	-	530,792
Interest and dividend income	232,791	-	232,791	-	-	232,791
Net assets released from restrictions	7,573,178	(7,573,178)	-	-	-	-
Total Support and Revenue	<u>17,414,164</u>	<u>49,649,992</u>	<u>67,064,156</u>	<u>1,287,470</u>	<u>(1,287,470)</u>	<u>67,064,156</u>
EXPENSES						
Program services	16,283,346	-	16,283,346	921,035	(1,287,470)	15,916,911
Supporting services	2,136,065	-	2,136,065	321,052	-	2,457,117
Total Expenses	<u>18,419,411</u>	<u>-</u>	<u>18,419,411</u>	<u>1,242,087</u>	<u>(1,287,470)</u>	<u>18,374,028</u>
Foreign currency translation gain (loss)	<u>(202,780)</u>	<u>-</u>	<u>(202,780)</u>	<u>(8,079)</u>	<u>-</u>	<u>(210,859)</u>
Change in Net Assets	(1,208,027)	49,649,992	48,441,965	37,304	-	48,479,269
NET ASSETS						
Beginning of year	<u>16,704,518</u>	<u>5,708,225</u>	<u>22,412,743</u>	<u>17,593</u>	<u>-</u>	<u>22,430,336</u>
End of year	<u>\$ 15,496,491</u>	<u>\$ 55,358,217</u>	<u>\$ 70,854,708</u>	<u>\$ 54,897</u>	<u>\$ -</u>	<u>\$ 70,909,605</u>

See notes to consolidated financial statements