



**RefuSHE**

REFUSHE, INC. AND AFFILIATE

Consolidated Financial Statements  
With Independent Auditors' Report

December 31, 2021 and 2020

# REFUSHE, INC. AND AFFILIATE

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
RefuSHE, Inc. and Affiliate  
Chicago, Illinois

### *Opinion*

We have audited the accompanying consolidated financial statements of RefuSHE, Inc. (a Missouri nonprofit corporation) and Affiliate, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, 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 RefuSHE, Inc. and Affiliate 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 audit 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 RefuSHE, Inc. and Affiliate and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 RefuSHE, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors  
RefuSHE, Inc. and Affiliate  
Chicago, Illinois

***Auditors' Responsibility 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 RefuSHE, Inc. and Affiliate'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 RefuSHE, Inc. and Affiliate'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.

*Capin Crouse LLP*

Lawrenceville, Georgia  
September 30, 2022

# REFUSHE, INC. AND AFFILIATE

## Consolidated Statements of Financial Position

	December 31,	
	2021	2020
<b>ASSETS:</b>		
Cash and cash equivalents:		
Without donor restrictions	\$ 1,367,607	\$ 938,291
With donor restrictions	-	136,663
Grants receivable–net	150,281	395,000
Inventory–net	76,092	65,223
Prepaid expenses and other assets	171,714	149,759
Property and equipment–net	8,799	17,287
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 1,774,493</u>	<u>\$ 1,702,223</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 156,851	\$ 66,407
	<u>                    </u>	<u>                    </u>
Net assets:		
Without donor restrictions	1,256,748	902,200
With donor restrictions	360,894	733,616
Total net assets	<u>1,617,642</u>	<u>1,635,816</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Net Assets	<u>\$ 1,774,493</u>	<u>\$ 1,702,223</u>

See notes to consolidated financial statements

# REFUSHE, INC. AND AFFILIATE

## Consolidated Statements of Activities

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Support:						
Contributions	\$ 859,801	\$ 305,972	\$ 1,165,773	\$ 1,041,939	\$ 129,503	\$ 1,171,442
Federal financial assistance	1,525,000	-	1,525,000	1,536,284	-	1,536,284
Noncash contributions	30,925	-	30,925	3,274	-	3,274
	<u>2,415,726</u>	<u>305,972</u>	<u>2,721,698</u>	<u>2,581,497</u>	<u>129,503</u>	<u>2,711,000</u>
Revenue:						
Special events	6,397	-	6,397	83,156	-	83,156
Interest and other	176,710	-	176,710	157,427	-	157,427
	<u>183,107</u>	<u>-</u>	<u>183,107</u>	<u>240,583</u>	<u>-</u>	<u>240,583</u>
Total Support and Revenue	<u>2,598,833</u>	<u>305,972</u>	<u>2,904,805</u>	<u>2,822,080</u>	<u>129,503</u>	<u>2,951,583</u>
<b>RECLASSIFICATIONS:</b>						
Net assets released by:						
Satisfaction of purpose restrictions	678,694	(678,694)	-	113,528	(113,528)	-

(continued)

See notes to consolidated financial statements

# REFUSHE, INC. AND AFFILIATE

## Consolidated Statements of Activities (continued)

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
EXPENSES:						
Program services	2,045,058	-	2,045,058	1,897,037	-	1,897,037
Supporting activities:						
Management and general	684,009	-	684,009	517,482	-	517,482
Fundraising	185,068	-	185,068	233,250	-	233,250
	869,077	-	869,077	750,732	-	750,732
Total Expenses	2,914,135	-	2,914,135	2,647,769	-	2,647,769
Change in Net Assets before Translation Adjustment	363,392	(372,722)	(9,330)	287,839	15,975	303,814
Translation Adjustment	(8,844)	-	(8,844)	(24,170)	-	(24,170)
Change in Net Assets	354,548	(372,722)	(18,174)	263,669	15,975	279,644
Net Assets, Beginning of Year	902,200	733,616	1,635,816	638,531	717,641	1,356,172
Net Assets, End of Year	\$ 1,256,748	\$ 360,894	\$ 1,617,642	\$ 902,200	\$ 733,616	\$ 1,635,816

See notes to consolidated financial statements

## REFUSHE, INC. AND AFFILIATE

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services							Supporting Activities					Total Expenses
	Education	Sexual and Gender Based Violence	Safe House	Case Management	Early Childhood Development Center	Community Outreach	Advocacy and Research	Economic Independence	Total Program Services	Management and General	Fundraising	Total Supporting Activities	
Salaries and wages	\$ 528,175	\$ 136,451	\$ 157,610	\$ 155,324	\$ 58,403	\$ 13,021	\$ -	\$ 158,249	\$ 1,207,233	\$ 340,092	\$ 147,903	\$ 487,995	\$ 1,695,228
Facilities and occupancy	31,758	14,170	80,991	22,437	20,071	-	-	26,871	196,298	36,498	3,009	39,507	235,805
Professional fees	12,317	5,685	980	13,243	-	25,151	-	949	58,325	144,632	8,108	152,740	211,065
Travel and meetings	3,984	1,660	1,819	581	-	-	-	1,375	9,419	9,661	12,769	22,430	31,849
Office expenses	22,687	3,963	2,826	3,398	1,422	5	-	6,197	40,498	80,405	7,789	88,194	128,692
Program participant travel	92,037	-	272	2,846	-	-	-	8	95,163	-	-	-	95,163
Emergency housing, supplies, and clothing	58,529	14,429	54,841	65,906	542	-	-	622	194,869	-	-	-	194,869
Program participant supplies	50,453	14,847	13,744	7,215	1,109	2,888	-	3,017	93,273	400	-	400	93,673
Repairs and maintenance	10,225	-	12,111	2,678	249	-	-	2,791	28,054	59,113	-	59,113	87,167
Program participant living stipends	-	-	17,090	-	-	-	-	-	17,090	-	-	-	17,090
Program participant training	16,633	22,999	14,889	694	248	200	-	3,276	58,939	3,577	-	3,577	62,516
Cost of goods sold	-	-	-	-	-	-	-	43,668	43,668	-	-	-	43,668
Depreciation	-	-	-	-	-	-	-	-	-	9,631	-	9,631	9,631
Other expenses	-	-	-	-	-	-	-	2,229	2,229	-	5,490	5,490	7,719
<b>Total Expenses</b>	<b>\$ 826,798</b>	<b>\$ 214,204</b>	<b>\$ 357,173</b>	<b>\$ 274,322</b>	<b>\$ 82,044</b>	<b>\$ 41,265</b>	<b>\$ -</b>	<b>\$ 249,252</b>	<b>\$ 2,045,058</b>	<b>\$ 684,009</b>	<b>\$ 185,068</b>	<b>\$ 869,077</b>	<b>\$ 2,914,135</b>

See notes to consolidated financial statements



## REFUSHE, INC. AND AFFILIATE

### Consolidated Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services							Supporting Activities				Total Expenses	
	Education	Sexual and Gender Based Violence	Safe House	Case Management	Early Childhood Development Center	Community Outreach	Advocacy and Research	Economic Independence	Total Program Services	Management and General	Fundraising		Total Supporting Activities
Salaries and wages	\$ 185,321	\$ 103,619	\$ 116,943	\$ 132,980	\$ 42,802	\$ 215,297	\$ 8,228	\$ 125,077	\$ 930,267	\$ 203,757	\$ 195,181	\$ 398,938	\$ 1,329,205
Facilities and occupancy	37,782	23,928	69,796	17,349	11,640	12,421	-	22,966	195,882	60,345	3,953	64,298	260,180
Professional fees	12,908	4,352	6,557	2,163	1,511	265,300	900	2,562	296,253	151,453	11,929	163,382	459,635
Travel and meetings	1,552	438	1,429	524	-	-	21	4,115	8,079	7,890	3,822	11,712	19,791
Office expenses	6,064	1,833	4,034	4,361	237	4,178	147	6,081	26,935	41,576	8,445	50,021	76,956
Program participant travel	23,224	1,848	47	259	-	-	90	360	25,828	-	466	466	26,294
Emergency housing, supplies, and clothing	23,446	66,191	55,729	70,921	3,864	-	-	2,160	222,311	3,670	709	4,379	226,690
Program participant supplies	4,377	-	1,950	5,662	1,704	-	-	2,588	16,281	234	189	423	16,704
Repairs and maintenance	26,182	935	15,006	163	1,265	-	-	8,777	52,328	25,448	248	25,696	78,024
Program participant living stipends	-	225	1,610	-	-	-	-	-	1,835	-	-	-	1,835
Program participant training	39,985	9,805	8,192	771	90	-	1,851	5,162	65,856	4,613	626	5,239	71,095
Cost of goods sold	2,405	-	-	-	-	-	-	29,421	31,826	4,613	11	4,624	36,450
Depreciation	-	-	-	-	-	-	-	-	-	9,587	-	9,587	9,587
Other expenses	1,569	2,054	3,035	1,156	394	-	-	15,148	23,356	4,296	7,671	11,967	35,323
<b>Total Expenses</b>	<b>\$ 364,815</b>	<b>\$ 215,228</b>	<b>\$ 284,328</b>	<b>\$ 236,309</b>	<b>\$ 63,507</b>	<b>\$ 497,196</b>	<b>\$ 11,237</b>	<b>\$ 224,417</b>	<b>\$ 1,897,037</b>	<b>\$ 517,482</b>	<b>\$ 233,250</b>	<b>\$ 750,732</b>	<b>\$ 2,647,769</b>

See notes to consolidated financial statements

# REFUSHE, INC. AND AFFILIATE

## Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (18,174)	\$ 279,644
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	9,631	9,587
Forgiveness of Paycheck Protection Program loan	-	(65,887)
Changes in operating assets and liabilities:		
Grants receivable–net	244,719	229,750
Inventory–net	(10,869)	(9,624)
Prepaid expenses and other assets	(21,955)	(45,721)
Accounts payable and accrued expenses	90,444	(13,949)
Net Cash Provided by Operating Activities	293,796	383,800
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Change in property and equipment due to currency translation	-	7,385
Purchases of property and equipment	(1,143)	(1,008)
Net Cash Provided (Used) by Investing Activities	(1,143)	6,377
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loan	-	65,887
Net Change in Cash and Cash Equivalents	292,653	456,064
Cash and Cash Equivalents, Beginning of Year	1,074,954	618,890
Cash and Cash Equivalents, End of Year	\$ 1,367,607	\$ 1,074,954
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS:</b>		
Amount within the consolidated statements of financial position that sum to the total above:		
Cash and cash equivalents–without donor restrictions	\$ 1,367,607	\$ 938,291
Cash and cash equivalents–with donor restrictions	-	136,663
	\$ 1,367,607	\$ 1,074,954
<b>NONCASH FINANCING ACTIVITIES:</b>		
Paycheck Protection Program loan forgiveness	\$ -	\$ 65,887

See notes to consolidated financial statements

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### 1. NATURE OF ORGANIZATION:

RefuSHE, Inc. (RefuSHE) is a Missouri not-for-profit corporation established in 2007. As a not-for-profit corporation, RefuSHE is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (Code) and comparable State law. Contributions to RefuSHE are tax deductible within the limitations prescribed by the Code. RefuSHE is also classified as a publicly supported organization, which is not a private foundation as defined by Section 509(a)(1) of the Code. The primary source of support and revenue is from federal financial assistance and contributions by individuals and foundations.

RefuSHE supports Heshima Kenya (Heshima), an affiliated Kenyan entity, by providing funding, volunteers, and goods and services. Heshima is registered as a non-governmental organization in Kenya, under Section 10 of the Non-Governmental Organization Coordination Act. RefuSHE has control of and an economic interest in Heshima and therefore as elected consolidation under accounting principles generally accepted in the United States. The mission of RefuSHE and Heshima (collectively referred to as the Organization) is to identify and protect unaccompanied and separated refugee children and youth, especially girls, young women, and their children living in Kenya. By providing resources for long-term support, refugee girls and young women become catalysts for strengthening networks creating sustainable change within the local and global communities. The Organization accomplishes this mission primarily through the program services described below:

*Education*—The Girls' Empowerment Project (GEP) is our alternative education program that allows participants to access education and livelihood opportunities, learn about their human rights, and to cultivate leadership skills. This includes basic education, life-skills development, vocational training, income generation, as well as an early childhood development center.

*Sexual and Gender Based Violence*—Trainings on health, human rights and peace building, leadership, and community resources are structured in a way so girls gain self-confidence and a voice in the decisions that affect their lives. Topics include sexual and reproductive health, sexual and gender-based violence prevention and response, HIV/AIDS prevention, peace building, leadership and human rights, and community collaboration.

*Safe House*—The first and only of its kind in Kenya, our Safe House is a transitional shelter that provides protection and recovery to unaccompanied and separated refugee girls under 18 years old and their children. We are a registered shelter program, Children's Charitable Institution (CCI) under the Kenyan Children's Department. Approximately half of RefuSHE's Safe House residents have young children of their own.

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### 1. NATURE OF ORGANIZATION, continued:

*Case Management*—Due to the myriad of health, emotional, and physical protection issues experienced by unaccompanied refugee children and youth, a core component of RefuSHE’s holistic model is our case management program. RefuSHE aims to empower each participant with the skills and resources required to advocate for their own rights and needs. This support provides girls with the ability to access services independently so that in the future they know where and how to access services, what to expect, and how they should be treated. Services include general support, legal aid, medical support, psychological counseling, and home visits and material support.

*Early Childhood Development Center*—Without the support of their own families and community, young mothers are in need of a necessary support system to help them develop confidence and knowledge as mothers. RefuSHE supports over 60 infants and toddlers of young mothers in our programs, including children who have serious disabilities. The presence of this childcare program enables mothers to attend their education courses on site while also attending to their children throughout the day.

*Community Outreach*—RefuSHE’s mission is to advocate for awareness, rights, education, and support for refugee girls and women. We participate in various panels and policy groups to advance dialogue and solutions for the neglect of Nairobi’s urban refugees and the protection of unaccompanied refugee children and youth. This includes our work surrounding education and outreach to help refugee girls access protection and services.

*Advocacy and Research*—RefuSHE recognizes the importance of educating our partners in government, the NGO sector, policy groups, and civil-society actors about the challenges experienced by the young women we serve. Our advocacy focuses on refugee protection, child protection, and the rights of women and girls.

*Economic Independence*—RefuSHE’s social enterprise is a step in the journey toward independence and a new life after war and conflict. Members express themselves creatively while learning tangible skills that lead to self-sufficiency. Our trauma-informed approach allows artisans to achieve economic and social independence. Participants continue their healing within RefuSHE’s supportive environment while learning business skills. 70% of the 160 artisans who have been a part of the collective are economically independent.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the operations of RefuSHE and Heshima. All significant intercompany transactions and balances have been eliminated from the consolidated financial statements.

#### USE OF ESTIMATES

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### CASH AND CASH EQUIVALENTS—WITHOUT DONOR RESTRICTIONS

Cash and cash equivalents include cash, checking, and savings accounts, and highly liquid investments with maturity dates of less than three months. These accounts may, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2021 and 2020, the Organization's cash balances exceeded federally insured limits by \$756,434 and \$419,646, respectively.

#### CASH AND CASH EQUIVALENTS—WITH DONOR RESTRICTIONS

The Organization is required to hold certain donor contributions in separate bank accounts, for the purposes outlined in the executed grant agreement between the Organization and donor. For the years ended December 31, 2021 and 2020, funds held in these separate accounts total \$0 and \$136,663, respectively.

#### GRANTS RECEIVABLE—NET

Grants receivable consists primarily of amounts due the Organization for grants from foundations wherein the foundation has unconditionally promised to contribute funds to the Organization in future periods. The allowance for doubtful grants receivable is maintained at a level that, in management's judgment, is adequate to absorb probable losses. The amount is based upon an analysis of overall grant receivables by management. Management's evaluation of the allowance for doubtful accounts includes, but is not limited to, the historical experience of payment patterns from the foundations, financial condition of the foundations, other known facts and circumstances, and general economic conditions. This process is based on estimates and ultimate loss may vary from current estimates. The Organization does not assess finance charges against grants receivable that are past due. As of December 31, 2021 and 2020, no allowance for doubtful grants receivable has been recorded as management has determined it is probable that substantially all the grants receivable will be collected.

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### GRANTS RECEIVABLE–NET, continued

Grants receivable expected to be collected within one year are recorded as support and a receivable at net realizable value. Grants receivable expected to be collected in future years are recorded as revenue and a receivable at the present value of the expected future cash flows. Discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. For grants received during both years ended December 31, 2021 and 2020, the discount rate used was 3%. Amortization of discounts is included in contributions in the accompanying consolidated statements of activities.

#### INVENTORY–NET

Inventory is stated at the lower of cost (based on the FIFO basis) or net realizable value and consists of fabrics, threads, dyes and finished scarves, as well as other products. Management has determined the allowance for obsolescence by reviewing product sales history and current market performance.

#### PROPERTY AND EQUIPMENT–NET

Items capitalized as property and equipment are stated at cost or, if donated, at market value on the date of donation. The Organization capitalizes all property and equipment expenditures greater than \$1,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 10 years.

#### CLASSES OF NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

*Net assets without donor restrictions* are currently available at the discretion of the board for use in operations, designated by the board for other specific projects determined by the board, or invested in property and equipment net of accumulated depreciation.

*Net assets with donor restrictions* are stipulated by donors for specific operating purposes, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

#### SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES

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

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT AND REVENUE, RECLASSIFICATIONS, AND EXPENSES, continued

A portion of the Organization's support and revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position.

The Organization conducted special events designed to inform supporters about its programs and expose itself to potential new donors. Special events consist of a virtual fashion challenge and silent auction.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as reclassifications. Gifts received and spent in the same period are reported as support without donor restrictions.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Noncash contributions consist of donated program supplies that can be used or sold and are recorded at fair value at the date of the gift.

Expenses are recorded when costs are incurred in accordance with the accrual basis of accounting. The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses include salaries and benefits, depreciation, facilities operations, and other expenses. Salaries and benefits are allocated based on the programmatic purpose of the employee incurring the expenses. Facilities operations and depreciation are allocated based on the square footage and programmatic purpose of the property and equipment incurring the expense.

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CONCENTRATIONS:

During the years ended December 31, 2021 and 2020, the Organization received 74% and 77%, respectively, of total contributions from five donors. In addition, for the years ended December 31, 2021 and 2020, the Organization received 56% and 57%, respectively, of its total support and revenue from federal financial assistance, which was received from one U.S. governmental agency. The Organization's operations and program activities could be impacted if these donor relationships and/or funding source were to be terminated and could not be replaced by new donors with comparable donations and/or a new funding source; however, in the near term, the Organization believes these major donor relationships will be maintained.

#### FOREIGN OPERATIONS

Foreign operations have a functional currency different than the United States dollar. Assets and liabilities are translated into United States dollars using the current exchange rates in effect at the consolidated statement of financial position date, while revenues and expenses are translated at the average exchange rates during the period. Gains and losses resulting from foreign currency transactions are included in translation adjustment in the accompanying consolidated statements of activities.

In connection with its ministry, RefuSHE supports Heshima, an affiliated Kenyan entity, by providing funding, volunteers, and goods and services. As of December 31, 2021 and 2020, current assets in Kenya, including cash and cash equivalents, inventory, prepaid expenses, and other assets totaled \$419,450 and \$447,494, respectively; property and equipment, net of accumulated depreciation, amounted to \$6,991 and \$7,709, respectively; and liabilities in Kenya were \$109,500 and \$48,311, respectively. Total support and revenue received in Kenya, before any eliminations, amounted to \$1,924,983 and \$1,590,986 during 2021 and 2020, respectively. Account balances relating to Kenyan operations are reflected in the consolidated financial statements in United States dollars.



# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. The Organization considers general expenditures to be all expenditures related to its ongoing activities to achieve its mission as well as the conduct of services undertaken to support those activities to be general expenditures.

	December 31,	
	2021	2020
Financial assets, at year-end:		
Cash and cash equivalents	\$ 1,367,607	\$ 1,074,954
Grants receivable—net	150,281	395,000
	<u>1,517,888</u>	<u>1,469,954</u>
Less those not available for general expenditure within one year, due to:		
Grants receivable, due beyond one year	-	(95,000)
	<u>-</u>	<u>(95,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,517,888</u>	<u>\$ 1,374,954</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2021, the Organization has \$360,894 in net assets with donor restrictions for various purposes including project support. These funds are considered available to meet needs for general expenditures as funds are used for their donor restricted purposes.

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

4. GRANTS RECEIVABLE–NET:

Grants receivable–net consists of:

	December 31,	
	2021	2020
Expected future cash flow from grants receivable	\$ 150,281	\$ 400,000
Less present value discount	-	(5,000)
	<u>\$ 150,281</u>	<u>\$ 395,000</u>
Amounts due in:		
Less than one year	\$ 150,281	\$ 300,000
One to five years	-	95,000
	<u>\$ 150,281</u>	<u>\$ 395,000</u>

5. INVENTORY–NET:

Inventory–net consists of:

	December 31,	
	2021	2020
Raw materials and work in process	\$ 14,624	\$ 13,665
Finished goods	64,072	54,162
	<u>78,696</u>	<u>67,827</u>
Reserve for excess and obsolete items	(2,604)	(2,604)
	<u>\$ 76,092</u>	<u>\$ 65,223</u>

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

6. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

	December 31,	
	2021	2020
Vehicles	\$ 75,446	\$ 75,446
Equipment	10,667	9,524
	86,113	84,970
Less accumulated depreciation and amortization	(77,314)	(67,683)
Property and equipment–net	<u>\$ 8,799</u>	<u>\$ 17,287</u>

7. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2021	2020
Restricted for purpose or time:		
RefuSHE:		
Girls Empowerment Project/Sexual and Gender Based Violence Initiative	\$ 168,559	\$ 733,616
Safe House	192,335	-
	<u>\$ 360,894</u>	<u>\$ 733,616</u>

8. EMPLOYEE RETIREMENT PLAN:

The Organization contributes to a Multiple Employer 401(k) Defined Contribution Retirement Plan (the Plan) for eligible employees. Employee elective deferrals are matched by the Organization on a discretionary basis up to 3%. The Organization contributed \$52,659 and \$43,031 to the Plan for the years ended December 31, 2021 and 2020, respectively.

# REFUSHE, INC. AND AFFILIATE

## Notes to Consolidated Financial Statements

December 31, 2021 and 2020

### 9. LEASES:

The Organization leases its office facility and certain office equipment under non-cancelable operating lease agreements. Rental and lease expenses totaled \$250,259 and \$160,575 for the years ended December 31, 2021 and 2020, respectively. Future minimum lease payments under non-cancelable operating leases (with initial or remaining lease terms in excess of one year) as of December 31, 2021, are as follows:

<u>Years Ending December 31,</u>	<u>Amounts</u>
2022	\$ 216,901
2023	47,868
2024	44,186
2025	22,093
	<u>\$ 331,048</u>

### 10. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Organization for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

As part of the response to the impact of COVID-19, the Organization applied for a Paycheck Protection Program (PPP) Loan, administered by the Small Business Administration (SBA), under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was signed into law in March 2020. The Organization was approved for a loan in the amount of \$65,887. Based on the provisions included in the CARES Act, the loan agreement provided for loan forgiveness up to the full amount of the loan provided the Organization overcame (met) certain loan stipulations. The Organization believes it met the conditions during the year ended December 31, 2020, in accordance with Financial Accounting Standards Board Accounting Standards Codification 958-605. As a result, the Organization recognized the PPP as support with donor restrictions and a release for same amount in the accompanying consolidated statements of activities.

Effective January 11, 2021, the Organization received notification of forgiveness from the SBA for the full PPP loan amount.

### 11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 30, 2022, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

Board of Directors  
RefuSHE, Inc. and Affiliate  
Chicago, Illinois

We have audited the consolidated financial statements of RefuSHE, Inc. and Affiliate as of and for the years ended December 31, 2021 and 2020, and our report thereon dated September 30, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and activities (the information) are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Capin Crouse LLP*

Lawrenceville, Georgia  
September 30, 2022

# REFUSHE, INC. AND AFFILIATE

## Consolidating Statement of Financial Position

December 31, 2021

	RefuSHE (US Operations)	Heshima (Kenya Operations)	Eliminations	Total
<b>ASSETS:</b>				
Cash and cash equivalents:				
Without donor restrictions	\$ 1,187,712	\$ 179,895	\$ -	\$ 1,367,607
With donor restrictions	-	-	-	-
Grants receivable–net	150,281	-	-	150,281
Inventory–net	8,251	67,841	-	76,092
Prepaid expenses and other assets	-	171,714	-	171,714
Property and equipment–net	1,808	6,991	-	8,799
<b>Total Assets</b>	<b>\$ 1,348,052</b>	<b>\$ 426,441</b>	<b>\$ -</b>	<b>\$ 1,774,493</b>
<b>LIABILITIES AND NET ASSETS:</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 47,351	\$ 109,500	\$ -	\$ 156,851
Net assets:				
Without donor restrictions	939,807	316,941	-	1,256,748
With donor restrictions	360,894	-	-	360,894
<b>Total net assets</b>	<b>1,300,701</b>	<b>316,941</b>	<b>-</b>	<b>1,617,642</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,348,052</b>	<b>\$ 426,441</b>	<b>\$ -</b>	<b>\$ 1,774,493</b>

See independent auditors' report on supplementary information

# REFUSHE, INC. AND AFFILIATE

## Consolidating Statement of Financial Position

December 31, 2020

	RefuSHE (US Operations)	Heshima (Kenya Operations)	Eliminations	Total
<b>ASSETS:</b>				
Cash and cash equivalents:				
Without donor restrictions	\$ 683,936	\$ 254,355	\$ -	\$ 938,291
With donor restrictions	136,663	-	-	136,663
Grants receivable–net	395,000	-	-	395,000
Inventory–net	14,620	50,603	-	65,223
Prepaid expenses and other assets	7,223	142,536	-	149,759
Property and equipment–net	9,578	7,709	-	17,287
<b>Total Assets</b>	<b>\$ 1,247,020</b>	<b>\$ 455,203</b>	<b>\$ -</b>	<b>\$ 1,702,223</b>
<b>LIABILITIES AND NET ASSETS:</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 18,096	\$ 48,311	\$ -	\$ 66,407
Net assets:				
Without donor restrictions	495,308	406,892	-	902,200
With donor restrictions	733,616	-	-	733,616
<b>Total net assets</b>	<b>1,228,924</b>	<b>406,892</b>	<b>-</b>	<b>1,635,816</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,247,020</b>	<b>\$ 455,203</b>	<b>\$ -</b>	<b>\$ 1,702,223</b>

See independent auditors' report on supplementary information



# REFUSHE, INC. AND AFFILIATE

## Consolidating Statement of Activities

Year Ended December 31, 2021

	RefuSHE (US Operations)	Heshima (Kenya Operations)	Eliminations	Total
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>				
<b>SUPPORT AND REVENUE:</b>				
Support:				
Contributions	\$ 827,535	\$ 109,950	\$ (77,684)	\$ 859,801
Federal financial assistance	1,525,000	-	-	1,525,000
Noncash contributions	2,941	27,984	-	30,925
	2,355,476	137,934	(77,684)	2,415,726
Revenue:				
Special events	6,397	-	-	6,397
Interest and other	7,785	168,925	-	176,710
Total Support and Revenues	2,369,658	306,859	(77,684)	2,598,833
<b>RECLASSIFICATIONS:</b>				
Satisfaction of purpose restrictions	678,694	1,618,124	(1,618,124)	678,694
<b>EXPENSES:</b>				
Program services	2,134,953	1,605,913	(1,695,808)	2,045,058
Supporting activities:				
Management and general	364,504	319,505	-	684,009
Fundraising	104,396	80,672	-	185,068
	468,900	400,177	-	869,077
Total Expenses	2,603,853	2,006,090	(1,695,808)	2,914,135
Change in Net Assets Without Donor Restrictions	444,499	(81,107)	-	363,392

(continued)

See independent auditors' report on supplementary information

# REFUSHE, INC. AND AFFILIATE

## Consolidating Statement of Activities

Year Ended December 31, 2021

(continued)

	RefuSHE (US Operations)	Heshima (Kenya Operations)	Eliminations	Total
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:				
SUPPORT AND REVENUE:				
Support:				
Contributions	305,972	1,618,124	(1,618,124)	305,972
RECLASSIFICATIONS:				
Satisfaction of purpose restrictions	(678,694)	(1,618,124)	1,618,124	(678,694)
Change in Net Assets With Donor Restrictions	(372,722)	-	-	(372,722)
Change in Net Assets before Translation Adjustment	71,777	(81,107)	-	(9,330)
Translation Adjustment	-	(8,844)	-	(8,844)
Change in Net Assets	71,777	(89,951)	-	(18,174)
Net Assets, Beginning of Year	1,228,924	406,892	-	1,635,816
Net Assets, End of Year	\$ 1,300,701	\$ 316,941	\$ -	\$ 1,617,642

See independent auditors' report on supplementary information

# REFUSHE, INC. AND AFFILIATE

## Consolidating Statement of Activities

Year Ended December 31, 2020

	RefuSHE (US Operations)	Heshima (Kenya Operations)	Eliminations	Total
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>				
<b>SUPPORT AND REVENUE:</b>				
Support:				
Contributions	\$ 1,041,381	\$ 40,933	\$ (40,375)	\$ 1,041,939
Federal financial assistance	1,536,284	-	-	1,536,284
Noncash contributions	2,809	465	-	3,274
	2,580,474	41,398	(40,375)	2,581,497
Revenue:				
Special events	83,156	-	-	83,156
Interest and other	35,358	122,069	-	157,427
Total Support and Revenues	2,698,988	163,467	(40,375)	2,822,080
<b>RECLASSIFICATIONS:</b>				
Satisfaction of purpose restrictions	69,755	1,471,292	(1,427,519)	113,528
<b>EXPENSES:</b>				
Program services	2,110,297	1,254,634	(1,467,894)	1,897,037
Supporting activities:				
Management and general	308,178	209,304	-	517,482
Fundraising	217,800	15,450	-	233,250
	525,978	224,754	-	750,732
Total Expenses	2,636,275	1,479,388	(1,467,894)	2,647,769
Change in Net Assets Without Donor Restrictions	132,468	155,371	-	287,839

(continued)

See independent auditors' report on supplementary information

# REFUSHE, INC. AND AFFILIATE

## Consolidating Statement of Activities

Year Ended December 31, 2020

(continued)

	RefuSHE (US Operations)	Heshima (Kenya Operations)	Eliminations	Total
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:				
SUPPORT AND REVENUE:				
Support:				
Contributions	129,503	1,427,519	(1,427,519)	129,503
RECLASSIFICATIONS:				
Satisfaction of purpose restrictions	(69,755)	(1,471,292)	1,427,519	(113,528)
Change in Net Assets With Donor Restrictions	59,748	(43,773)	-	15,975
Change in Net Assets before Translation Adjustment	192,216	111,598	-	303,814
Translation Adjustment	-	(24,170)	-	(24,170)
Change in Net Assets	192,216	87,428	-	279,644
Net Assets, Beginning of Year	1,036,708	319,464	-	1,356,172
Net Assets, End of Year	\$ 1,228,924	\$ 406,892	\$ -	\$ 1,635,816

See independent auditors' report on supplementary information