



**WOMEN'S WORLD BANKING, INC.  
AND SUBSIDIARIES**

Consolidated Financial Statements and Schedules

December 31, 2021  
(With Summarized Comparative Financial Information  
as of and for the Year Ended December 31, 2020)

(With Independent Auditors' Report Thereon)



KPMG LLP  
345 Park Avenue  
New York, NY 10154-0102

## Independent Auditors' Report

Board of Directors  
Women's World Banking, Inc.:

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of Women's World Banking, Inc. and its subsidiaries (the Organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 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 U.S. generally accepted accounting principles, 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 for one year after the date that the consolidated financial statements are 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 GAAS 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 GAAS, 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.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in schedules 1 and 2 is presented for purposes of additional analysis and is 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

#### **Report on Summarized Comparative information**

We have previously audited the Organization's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those consolidated audited financial statements in our report dated May 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

**KPMG LLP**

New York, New York  
June 1, 2022

**WOMEN'S WORLD BANKING, INC.  
AND SUBSIDIARIES**

Consolidated Statement of Financial Position

December 31, 2021

(With comparative amounts as of December 31, 2020)

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 20,494,143	14,452,622
Restricted cash (notes 2(d) and 6(e))	1,459,504	1,459,504
Grants and contributions receivable, net (note 3)	410,095	199,155
Investments (note 6)	22,684,342	20,751,471
Accounts receivable and other assets (note 8)	701,939	431,567
Furniture, equipment, and leasehold improvements, net (note 5)	240,538	344,962
Total assets	\$ 45,990,561	37,639,281
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 745,110	601,822
Deferred revenue	3,551	63,798
Deferred rent credit (note 8)	429,639	424,775
Paycheck Protection Program refundable advance (note 9)	—	1,236,000
Deferred liability WWBCP LP distribution subject to clawback (notes 2(d) and 6(e))	1,458,504	1,458,504
Total liabilities	2,636,804	3,784,899
Commitments (notes 6, 8, 9, and 12)		
Net assets:		
Without donor restrictions	9,962,374	9,204,485
With donor restrictions (note 7)	33,391,383	24,649,897
Total net assets	43,353,757	33,854,382
Total liabilities and net assets	\$ 45,990,561	37,639,281

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.  
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Consolidated Statement of Activities

Year ended December 31, 2021

(With comparative totals for the year ended December 31, 2020)

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	
			<u>2021</u>	<u>2020</u>
Operating activities:				
Revenue and support:				
Grants and contributions (note 2(i))	\$ 4,208,698	14,870,678	19,079,376	8,225,189
In-kind contributions (note 11)	195,788	—	195,788	886,115
Investment (loss) gain, net of fees (note 6)	(5,021)	2,546,541	2,541,520	2,062,458
Foreign currency translation loss	(5,638)	(3,530)	(9,168)	(13,801)
Fee for services	2,059,466	—	2,059,466	2,033,801
Forgiveness of debt (note 9)	1,236,000	—	1,236,000	—
Other income	367,723	—	367,723	309,483
Net assets released from restrictions	8,672,203	(8,672,203)	—	—
Total revenue and support	<u>16,729,219</u>	<u>8,741,486</u>	<u>25,470,705</u>	<u>13,503,245</u>
Expenses (note 2(k)):				
Program services:				
WWB Programs (WWB)	9,884,624	—	9,884,624	9,610,962
WWB Asset Management LLC (WAM)	2,309,600	—	2,309,600	1,057,099
WWB Investments LLC (LLC)	6,975	—	6,975	9,055
WWB Investments II LLC (LLC2)	20,813	—	20,813	13,057
Total program services	12,222,012	—	12,222,012	10,690,173
General and administrative	1,557,901	—	1,557,901	2,163,443
Fund-raising	2,191,417	—	2,191,417	2,192,113
Total expenses	<u>15,971,330</u>	<u>—</u>	<u>15,971,330</u>	<u>15,045,729</u>
Increase (decrease) in net assets	757,889	8,741,486	9,499,375	(1,542,484)
Net assets at beginning of year	<u>9,204,485</u>	<u>24,649,897</u>	<u>33,854,382</u>	<u>35,396,866</u>
Net assets at end of year	<u>\$ 9,962,374</u>	<u>33,391,383</u>	<u>43,353,757</u>	<u>33,854,382</u>

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.  
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Consolidated Statement of Functional Expenses

Year ended December 31, 2021

(With comparative totals for the year ended December 31, 2020)

	WWB Programs (WWB)	WWB Asset Management (WAM)	WWB Investments LLC (LLC)	WWB Investments II LLC (LLC2)	Total program services	General and administrative	Fund-raising	Total	
								2021	2020
Personnel costs	\$ 6,514,772	1,301,367	—	—	7,816,139	1,041,702	1,877,713	10,735,554	10,157,151
Consultants	1,937,953	972,260	650	258	2,911,121	28,819	53,698	2,993,638	2,251,381
Legal, accounting, and auditing	98,728	8,304	6,325	20,205	133,562	333,508	19,629	486,699	1,099,038
Travel, workshops, and meetings	108,089	3,454	—	—	111,543	2,170	6,484	120,197	251,904
Printing, production, and video	11,230	—	—	—	11,230	1,720	3,100	16,050	17,095
Rent and utilities	342,403	—	—	—	342,403	54,749	98,689	495,841	517,412
Telephone, internet, and cable	39,164	2,664	—	—	41,828	4,720	8,507	55,055	59,403
Office expenses, insurance, dues, licenses, and filing fees	429,813	20,951	—	350	451,114	46,641	97,978	595,733	494,132
Bad debt	—	—	—	—	—	—	—	—	51,910
Taxes	—	—	—	—	—	29,660	—	29,660	—
Project initiatives – contributions to unrelated institutions	313,586	—	—	—	313,586	—	—	313,586	—
Depreciation and amortization	88,886	600	—	—	89,486	14,212	25,619	129,317	146,303
Total expenses	\$ 9,884,624	2,309,600	6,975	20,813	12,222,012	1,557,901	2,191,417	15,971,330	15,045,729

See accompanying notes to consolidated financial statements.

**WOMEN'S WORLD BANKING, INC.  
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Consolidated Statements of Cash Flows

Year ended December 31, 2021

(with comparative amounts for the year ended December 31, 2020)

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 9,499,375	(1,542,484)
Adjustments to reconcile increase (decrease) in net assets to net cash operating activities:		
Depreciation and amortization	129,317	146,303
Paycheck Protection Program forgiveness of debt	(1,236,000)	—
Realized and unrealized gains, net	(2,110,984)	(1,874,458)
(Increase) decrease in grants and contributions receivable	(210,940)	152,775
(Increase) decrease in accounts receivable and other assets	(270,372)	249,741
Increase (decrease) in accounts payable and accrued expenses	143,288	(55,735)
Decrease in deferred revenue	(60,247)	(26,443)
Increase in deferred rent credit	4,864	19,477
Net cash operating activities	<u>5,888,301</u>	<u>(2,930,824)</u>
Cash flows from investing activities:		
Purchases of furniture, equipment, and leasehold improvements	(24,893)	(17,891)
Purchases of investments	(19,789,687)	(20,797,067)
Proceeds from sale of investments	19,967,800	21,246,600
Net cash provided by investing activities	<u>153,220</u>	<u>431,642</u>
Cash flows from financing activities:		
Paycheck Protection Program refundable advance	—	1,236,000
Net cash provided by financing activities	<u>—</u>	<u>1,236,000</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	6,041,521	(1,263,182)
Cash, cash equivalents, and restricted cash at beginning of year	<u>15,912,126</u>	<u>17,175,308</u>
Cash, cash equivalents, and restricted cash at end of year	<u>\$ 21,953,647</u>	<u>15,912,126</u>
Supplemental cash flow information:		
Disposal of equipment and software, fully depreciated	\$ 3,709	15,485

See accompanying notes to consolidated financial statements.

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Notes to Consolidated Financial Statements

December 31, 2021

(With comparative amounts as of and for the year ended December 31, 2020)

**(1) Organization**

Women's World Banking, Inc. (WWB or the Organization) is an international nonprofit organization that designs and invests in market-driven financial solutions, institutions, and policy environments in emerging markets to create greater economic stability and prosperity for women, their families, and their communities. WWB was formed in the United States on August 17, 2017 and began operations on January 1, 2018. WWB is the merged entity of Stichting to Promote Women's World Banking Inc. (SWWB) and Friends of WWB/USA, Inc. (FWWB). WWB is a U.S. nonprofit corporation classified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. WWB is headquartered in New York City.

The accompanying consolidated financial statements include the accounts of Women's World Banking Inc. and its subsidiaries, WWB Management Services LLP (WWBMS), WWB Southeast Asia Holdings PTE. LTD. (WWBSEA), PT WWB Services Indonesia (WWBINDO), WWB Asset Management, LLC (WAM), WWB Investments, LLC (the LLC), and WWB Investments II, LLC (the LLC2), collectively, the Organization. All intercompany balances and transactions have been eliminated upon consolidation. The accompanying consolidated financial statements do not include the accounts of WWB's network members, which are independent and unrelated organizations.

**WWBMS**, a for-profit India limited liability partnership was formed on March 13, 2020. WWBMS is owned by WWB (99.99%) and WAM (.01%). Capital contributions totaled INR 7,250,000 (USD \$100,455). The entity was established to conduct operations in India. WWBMS began official operations in September 2020. The financial activity of WWBMS has been consolidated within the accompanying consolidated financial statements.

**WWBSEA**, a for-profit Singapore private company, was incorporated on July 12, 2020. WWBSEA is a wholly owned subsidiary of WWB. Capital contributions totaled SGD 100,000 (USD \$76,046). The entity was established to conduct operations in Southeast Asia. WWBSEA began official operations in July 2021. The financial activity of WWBSEA has been consolidated within the accompanying consolidated financial statements.

**WWBINDO**, a for-profit Indonesia company was formed on September 3, 2021. WWBINDO is owned by WWB (99.9%) and WWBSEA (.1%). Capital contributions totaled IDR 10,000,000,000 (USD \$694,457). The entity was established to conduct operations in Indonesia. As of December 31, 2021, WWBINDO had been fully capitalized, but not yet begun official operations. The financial activity of WWBINDO has been consolidated within the accompanying consolidated financial statements.

**WAM**, a for-profit Delaware limited liability company, was formed on January 5, 2011. WAM is a wholly owned subsidiary of WWB. The entity was established to conduct the operations of WWB's WAM activity. WAM directs and manages private equity investments in high-performing, women-focused financial institutions worldwide and works to achieve objectives of demonstrating the investment case for conscientious, women-focused financial institutions while also achieving positive economic returns. WAM began operations on February 15, 2012. WAM is one of two investment managers of Women's World Banking Capital Partners, L.P. (WWBCP), a Delaware limited partnership, formed in August 2010 to act as a socially responsible private equity fund. In 2018, WAM became the general manager of Women's World



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Banking Capital Partners II, L.P. (WWBCP2), a Mauritius limited partnership, formed to act as a second socially responsible private equity fund. In 2020, WAM became the trust manager of Women's World Banking Technical Assistance Program Trust (Trust) (note (10)). WAM's members' equity, which is reflected within net assets without donor restrictions on the accompanying consolidated financial statements as of December 31, 2021 and 2020, was \$522,141 and \$1,038,080, respectively.

**The LLC**, a for-profit Delaware limited liability company, was a wholly owned subsidiary of WWB until December 22, 2015. On that date, WWB amended the LLC agreement so that three related parties would receive a combined total of 30% of the LLC's equity. The balance of 70% remains with WWB. The LLC is the general partner of WWBCP. The activity of WWBCP is not consolidated within these financial statements as the general partner can be removed without cause through certain actions of the limited partners. The LLC's members' deficit, excluding carried interest (note 6(e)), which is reflected within net assets without donor restrictions on the accompanying consolidated financial statements, as of December 31, 2021 and 2020, was \$(36,324) and \$(29,349), respectively. In addition, WWB has a limited partner interest in WWBCP (note 6(d)), which it obtained through capital contributions. The investment in WWBCP by WWB is reflected in these consolidated financial statements under the equity method.

**The LLC2**, a for-profit Mauritius limited liability company, is wholly owned by WWB. LLC2 is the general partner of WWBCP2. The LLC2's members' deficit, which is reflected within net assets without donor restrictions on the accompanying consolidated financial statements, as of December 31, 2021 and 2020, was \$(38,037) and \$(17,224), respectively. In addition, WWB has a limited partnership interest in WWBCP2 (note 6(d)), which it obtained through capital contributions. The investment in WWBCP by WWB is reflected in these consolidated financial statements under the equity method.

For purposes of the statement of functional expenses, the Organization classifies its program activities into four functional categories:

- (1) Women's World Banking's programs, which holds the Organization's primary programmatic activities. Within WWB's programming, the organization has three primary focus areas:
  - (a) **Develop Market-Driven Financial Solutions:** Leveraging rigorous research and intelligence in key markets, the Organization identifies barriers to women's financial inclusion. The Organization then works with critical partners within priority markets (including policymakers, regulators, and financial service providers) to overcome these barriers by developing policy strategies and commercially viable solutions to help bring financial services to underbanked women.
  - (b) **Deliver Leadership & Diversity Programs:** The Organization delivers a variety of global, regional, and customized training programs for regulatory bodies and financial service providers to build stronger, more gender-diverse teams and drive increased focus on serving the women's market.
  - (c) **Action for Influence:** The Organization takes the insights and best practices from its market-driven financial solutions, leadership & diversity programs, and its global research initiatives, and shares these lessons more broadly through targeted influencer outreach, conferences, speaking engagements, roundtables, publications, social media, and peer learning. The goal for sharing knowledge more broadly is to influence others to increase focus on women's financial inclusion.

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- (2) WWB Asset Management LLC, which holds the activity of WAM. WAM manages private equity investments in high-performing, women-focused financial institutions worldwide and works to achieve objectives of demonstrating the investment case for conscientious, women-focused financial institutions, while also achieving positive economic returns.
- (3) WWB Investments LLC, which has been presented as a separate program activity on the statement of functional expenses for administration purposes.
- (4) WWB Investments II LLC, which has been presented as a separate program activity on the statement of functional expenses for administration purposes.

**(2) Significant Accounting Policies**

**(a) Basis of Accounting**

The accompanying consolidated financial statements are prepared on the accrual basis of accounting.

**(b) Basis of Presentation**

Net assets and revenues gains, losses, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

*(i) Without Donor Restrictions*

Net assets that are not subject to donor-imposed stipulations.

*(ii) With Donor Restrictions*

Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time. Generally, the donors of these assets permit the Organization to use all or part of the income earned, including net realized and unrealized gains on investments, for general purposes.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**(c) Fair Value Measurements**

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted or published prices in active markets for

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identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Quoted or published prices in active markets for identical assets or liabilities or published net asset value for alternative investments with characteristics similar to a mutual fund;

Level 2: Inputs other than quoted prices or published included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement.

The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no changes in the Organization's valuation methodologies at December 31, 2021 or 2020.

**(d) Cash, Cash Equivalents, and Restricted Cash**

The Organization considers all highly liquid debt instruments with original maturities of three months or less at the time of purchase to be cash equivalents, except for those held for long-term investment purposes. Restricted cash as of December 31, 2021 and 2020 consists of the LLC's capital contributions of \$1,000 and a general partner distribution from WWBCP in the amount of \$1,458,504, which is subject to a clawback (see note 6(e)).

**(e) Grants and Contributions**

Grants and contributions, which include unconditional promises to give, are recognized as revenue in the period received. Unconditional promises to give are recognized initially at fair value as grants and contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Amortization of the discount is recorded as additional grants and contributions revenue.

A contribution is conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred asset or a right of release of the promisor's obligation to the transferred assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met.

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The Organization often receives multiyear grants denominated in foreign currency amounts, which are subject to future currency fluctuations. As a result, the Organization will recognize foreign exchange gains or losses representing the difference in the dollar value of the grant between the time the grant commitment is made and recognized and when the sums are received. In addition, grants and contributions receivable at year end that are denominated in foreign currency are converted to U.S. currency as of the statement of financial position.

**(f) Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted market prices or published net asset value for alternative investments with characteristics similar to a mutual fund.

For limited partnerships, the fair value is estimated using, as a practical expedient, net asset value per share or its equivalent as reported by the fund managers. The estimated fair values may differ significantly from values that would have been used had a ready market for these securities existed. These values are reviewed and evaluated by management for reasonableness.

**(g) Furniture, Equipment, and Leasehold Improvements, Net**

Furniture, equipment, and leasehold improvements are reported at cost less accumulated depreciation or amortization. Depreciation of furniture and equipment is computed on a straight-line basis over their estimated useful lives of three to seven years. Amortization of leasehold improvements is computed on a straight-line basis over the life of the lease or the estimated useful life of the improvement, whichever is shorter.

**(h) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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. The estimates made in the preparation of these consolidated financial statements include the fair value of alternative investments and allocation of functional expenses. Actual results could differ from those estimates.

**(i) Concentration of Revenues**

In 2021 and 2020, three funding sources accounted for approximately 70% and 76%, respectively, of grant and contribution revenue.

As of December 31, 2021 and 2020, grants and contributions receivable is due primarily from three and two donors, respectively.

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**(j) Tax Status**

The Organization recognizes the effects of income tax positions only if those positions are more likely than not to be sustained. The Organization has evaluated its tax positions at December 31, 2021 and 2020 and has determined that there are no significant uncertain tax positions and that it will continue to be exempt from income taxes.

**(k) Functional Allocation of Expenses**

The Organization presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas. If expenses benefit multiple functional areas, they have been allocated using cost allocation techniques, such as square footage and time and effort. Natural expenses are accounted for on a direct cost basis to the program or function upon which the expense is incurred.

**(l) New Accounting Pronouncements**

ASU No. 2016-02, *Leases* (Topic 842) is effective for the Organization's fiscal year ending December 31, 2022, requires a lessee to recognize a right of use asset and a lease liability, initially measured at the present value of the lease payments on the consolidated statement of financial position and disclosing key information about leasing arrangements. Management is evaluating the effect this ASU will have on its consolidated financial statements.

ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) requires nonprofits to change the financial statement presentation and disclosure of contributed nonfinancial assets. Management is evaluating the effect this ASU will have on its consolidated financial statements. This ASU is effective for the Organization's fiscal year ending December 31, 2022.

**(3) Grants and Contributions Receivable**

Grants and contributions receivable at December 31, 2021 and 2020 are expected to be received within the following year.

**(4) Conditional Grants**

The Organization has been awarded several multiyear conditional grants, which will be recognized as revenue as the conditions are met. These grants have not been recognized as revenue and are not reflected in the Organization's consolidated financial statements. As of December 31, 2020, conditional

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grants totaled \$11,509,395. As of December 31, 2021, conditional grants totaled \$15,088,217 and are currently expected to be recognized as revenue as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
Algorand Foundation Ltd	\$ 175,000	—	—	175,000
Australia Department of Foreign Affairs and Trade (DFAT)	2,043,343	2,649,209	1,451,176	6,143,728
Bill & Melinda Gates Foundation	502,573	3,825,878	1,650,064	5,978,515
Credit Suisse APAC Foundation	150,000	150,000	—	300,000
DAI Global LLC	250,000	—	—	250,000
New Venture Fund (Data.org)	585,380	—	—	585,380
Swiss Capacity Building Facility	20,319	—	—	20,319
Swiss Re Foundation	150,000	50,000	—	200,000
Visa Foundation	1,375,795	—	—	1,375,795
Women's World Banking Technical Assistance Program Trust	59,480	—	—	59,480
Total conditional grants receivable	<u>\$ 5,311,890</u>	<u>6,675,087</u>	<u>3,101,240</u>	<u>15,088,217</u>

Amounts due from the Australia Department of Foreign Affairs and Trade (DFAT) and Swiss Capacity Building Facility are due in Australian Dollar and Swiss Francs, respectively. The anticipated amounts reflected above were converted to U.S. dollars based on the conversation rate as of December 31, 2021.

**(5) Furniture, Equipment, and Leasehold Improvements, Net**

Furniture, equipment, and leasehold improvements, net consist of the following as of December 31, 2021 and 2020:

	<u>Life</u>	<u>2021</u>	<u>2020</u>
Equipment	3	\$ 629,610	608,426
Furniture	7	328,876	328,876
Leasehold improvements	15	244,015	244,015
		1,202,501	1,181,317
Less accumulated depreciation and amortization		(961,963)	(836,355)
Total furniture, equipment, and leasehold improvements, net		<u>\$ 240,538</u>	<u>344,962</u>

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Depreciation and amortization expense for the year ended December 31, 2021 and 2020 was \$129,317 and \$146,303, respectively.

**(6) Investments**

**(a) Principles of Investment**

The Women's World Banking Capital Fund (the Capital Fund) represents assets intended to provide long-term fiscal security to the Organization through investment income. The Capital Fund is primarily invested by the Organization through two investment vehicles that have been established to support the Organization's mission and are aligned with the Organization's investment strategy.

**(b) Return Objectives and Risk Parameters**

The Organization has adopted investment and spending policies for the Capital Fund intended to provide a predictable stream of funding to programs supported by the fund while seeking to maintain the purchasing power of the fund. The fund includes assets with donor restrictions (note 7).

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

**(c) Spending Policy**

In 2021 and 2020, the Organization appropriated \$735,103 and \$702,984 to be spent to support the general operations of the Organization. The Organization utilizes funds for expenditure based on the Organization's spending policy, which is reviewed and approved annually by the Organization's Audit and Finance Committee. This appropriation was made based on the average of the prior five-year net assets of the Capital Fund (note 7). The spending rate for 2021 and 2020 was 4%.

**(d) Fair Value Hierarchy**

The following table presents the Organization's fair value hierarchy for investments as of December 31, 2021 and 2020:

	2021		2020	
	Fair value	Level 1	Fair value	Level 1
Cash equivalents	\$ 740,336	740,336	1,022,496	1,022,496
Domestic and non-U.S. equities	14,833,271	14,833,271	13,510,554	13,510,554
Fixed income:				
International bonds	513,812	513,812	—	—
Corporate bonds	2,754,138	2,754,138	2,575,013	2,575,013
U.S. Treasuries	2,901,622	2,901,622	3,096,936	3,096,936
	21,743,179	\$ 21,743,179	20,204,999	20,204,999

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	2021		2020	
	Fair value	Level 1	Fair value	Level 1
Investments reported at net assets value or its equivalent:				
Limited partnerships	\$ 941,163		546,472	
Total investments	\$ 22,684,342		20,751,471	

The Organization's limited partnerships balance at December 31, 2021 and 2020 is the Organization's investments in WWBCP and WWBCP2 (note 1). As of December 31, 2021 and 2020, the estimated fair value of the WWBCP investment was \$418,497 and \$388,104, respectively. As of December 31, 2021, and 2020, the Organization had an unfunded commitment of approximately \$45,657 and \$25,542, respectively, to WWBCP. The total WWBCP commitment represents a 1% interest in WWBCP in both years. As of December 31, 2021 and 2020, the estimated fair value of the WWBCP2 investment was \$522,666 and \$158,368, respectively. As of December 31, 2021 and 2020, the Organization had an unfunded commitment of approximately \$923,963 and \$1,303,000, respectively, to WWBCP2. As of December 31, 2021, the total WWBCP2 commitment represents a 2.5% interest in WWBCP2, of which .8% of the commitment was established by WWB as a nominee shareholder of the United States Agency for International Development (USAID).

Investment gain, net of fees includes the following for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 525,751	264,058
Realized and unrealized gains, net	2,110,984	1,874,458
Investment expenses	(95,215)	(76,058)
	\$ 2,541,520	2,062,458

**(e) WWB Investments, LLC**

As discussed in note 1, the Organization holds a controlling interest in the LLC, which is the general partner of WWBCP. The LLC received \$300 in capital contributions in 2016. The \$300, along with the Organization's capital contribution of \$700 is reflected as restricted cash in the accompanying consolidated financial statements.

During the year ended December 31, 2016, WWBCP distributed carried interest of \$1,623,129 to the LLC. In accordance with WWBCP's LP agreement, the distribution is subject to a clawback until certain conditions are met and, therefore, was not recognized as revenue in 2016. Management estimates that the clawback status will be resolved no later than 2023, at which point the distribution will either be partially or fully recognized as revenue and/or partially or fully returned to WWBCP. During the year ended December 31, 2017, the LLC was allowed to recognize carried interest income of \$164,625, which it further distributed to the Members of the LLC to cover their 2016 tax obligations related to the



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2016 carried interest distribution of \$1,623,129. The remaining balance of \$1,458,504 continues to be reflected as a deferred liability and restricted cash in the accompanying consolidated financial statements as of December 31, 2021 and 2020.

As of December 31, 2021, and 2020, the LLC's general partner capital was \$1,556,530 and \$407,260, respectively, which represents carried interest to the LLC as if WWBCP had realized all assets, settled all liabilities, allocated all gains and losses, and distributed all net assets to the partners. Since this carried interest is subject to a clawback (note 6(e)) the LLC's undistributed share of capital has not been recorded within the accompanying consolidated financial statements.

**(7) Net Assets with Donor Restrictions**

At December 31, 2021 and 2020, net assets with donor restrictions are available for the following purposes:

	<b>2021</b>	<b>2020</b>
WWB program services	\$ 10,881,264	3,951,216
Nonendowment capital fund	21,553,663	19,821,187
Perpetual endowment capital fund	693,076	693,076
Accumulated gains on perpetual endowment capital fund	263,380	184,418
	<b>\$ 33,391,383</b>	<b>24,649,897</b>

In October 2013, SWWB received clarifying communications from its four largest donors of the Capital Fund (the Fund) who represent 97% or \$15,248,169 of the Fund. The donors acknowledged that their gifts would be reclassified from a restricted endowment to an expendable restricted gift and would continue to remain invested under the direction of the Organization's Board of Directors. The funds will be utilized for the following purposes: (1) support the general operations of the Organization; (2) support a loan guarantee program; and (3) support the capitalization of Microfinance institutions. Spending will be based on an established spending rate as directed by the Board in a manner consistent with the gift purpose. As a result, SWWB reclassified the funds in 2013 from a restricted endowment fund to a restricted donor capital fund.

The Organization's Capital Fund contains a certain portion of net assets with permanent donor restrictions. As required by GAAP, net assets associated with the perpetual endowment Capital Fund are classified and reported based upon the existence or absence of donor-imposed restrictions.

Gains and losses on net assets with perpetual endowment donor restrictions are recorded as net assets with donor restrictions until they are appropriated for expenditure in accordance with the Capital Fund

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Spending Policy. At December 31, 2021 and 2020, accumulated gains not yet appropriated for spending related to the perpetual endowment capital fund were \$263,380 and \$184,418, respectively.

(i) *Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no deficiencies in the donor-restricted funds as of December 31, 2021 or 2020.

(ii) *Interpretation of Relevant Law*

The Organization classifies as restricted net assets (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. GAAP requires, as a result of the New York Prudent Management of Institutional Funds Act, that the portion of a donor-restricted endowment fund to be classified as net assets with donor restrictions until appropriated for expenditure by the board of directors.

**(8) Lease Commitment**

On April 29, 2014, SWWB executed a facilities lease agreement, which expires on March 31, 2030, and made a security deposit of \$100,476 that is included in other assets on the consolidated statements of financial position as of December 31, 2021 and 2020. Renovations of the space started during the fourth quarter of 2014 and occupancy occurred on January 5, 2015. The rent was abated until April 1, 2015. SWWB transferred the lease agreement to WWB on January 1, 2018. The Organization records the lease expense on a straight-line basis. The lease contains a termination provision, at the option of the Organization, on March 31, 2025 with proper notice and a lease termination payment. The lease also contains escalation clauses that provide for increased payments resulting from increases in real estate taxes and certain other building expenses.

Total rent, utilities, and maintenance expense in 2021 and 2020 amounted to \$495,841 and \$517,412, respectively.

Future lease payments, including base rent and escalation increases, as of December 31, 2021 are as follows:

2022		\$	479,732
2023			488,367
2024			497,158
2025			525,284
2026			541,133
Thereafter			1,825,900
	Total	\$	4,357,574

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**(9) Paycheck Protection Program Refundable Advance**

In April 2020, the Organization applied for, and received, a Small Business Administration loan of \$1,236,000 through the Paycheck Protection Program of the CARES Act. The loan has an interest rate of 0.98% per annum and a maturity date of April 5, 2022. The loan (plus interest of \$13,661) was forgiven in May 2021 and is reflected as forgiveness of debt in the accompanying consolidated financial statements.

**(10) Women's World Banking Technical Assistance Program Trust**

In November 2019, LLC2 consented to act as enforcer of Women's World Banking Technical Assistance Program Trust (Trust). The Trust is a non-charitable purpose trust formed on November 13, 2019 under the laws of Mauritius. An independent party, Axis Fiduciary Ltd, performs the role of Trustee. The purpose of the Trust is to implement Women's World Banking Technical Assistance Program (TAP) that accompanies the activities of WWBCP2. The objective of TAP is to provide technical assistance to portfolio companies in order to accomplish the investment objectives of WWBCP2. As the enforcer, LLC2 is responsible for enforcing the Trust in accordance with its terms and purposes. The LLC has been named as successor to the enforcer, if the need for a successor should arise.

In March 2020, WAM entered into an agreement with the Trust to perform the role of Trust Manager. As Trust Manager, WAM is responsible for managing the affairs of the Trust, including but not limited to management of the Trust's assets on a day-to-day basis, identification of technical assistance needs of portfolio companies, negotiating the terms and conditions of TAP agreements, and monitoring and overseeing the technical assistance projects. In exchange for this service, WAM receives an annual management fee of 1% of the total donations committed to the Trust. For the year ended December 31, 2021, the Trust had received \$5,209,650 in funding to be used for TAP activities. TAP activities officially began on February 15, 2021.

**(11) In-Kind Contributions**

The fair value of in-kind contributions has been recorded in the accompanying consolidated financial statements as support and expenses. During the years ended December 31, 2021 and 2020, in-kind contributions consisted of \$195,788 and \$886,115, respectively, for legal services.

**(12) Pension Benefits**

WWB and WAM sponsor a 401(k) retirement plan for its eligible employees with benefits up to 3.5% of eligible compensation. Eligible employees receive a matching employer contribution up to 1.5% of eligible compensation. WWB also contributes to various international retirement plans for eligible employees. Total WWB and WAM retirement expense in 2021 and 2020 was \$386,355 and \$330,128, respectively.

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**(13) Liquidity and Availability**

Financial assets available for general expenditure within one years of December 31, 2021 and 2020 are as follows:

	<b>2021</b>	<b>2020</b>
Financial assets at year-end:		
Cash and cash equivalents	\$ 20,494,143	14,452,622
Restricted cash	1,459,504	1,459,504
Grants and contributions receivable, net	410,095	199,155
Investments	22,684,342	20,751,471
Accounts receivable	223,514	144,693
Total financial assets at year-end	45,271,598	37,007,445
Less amounts not available to meet general expenditures within one year:		
Restricted cash subject to clawback	1,459,504	1,459,504
Future expendable nonendowment capital fund	21,035,400 *	19,270,502 *
Portion of donor-restricted endowment to be retained in perpetuity	693,076	693,076
Financial assets available to meet general expenditures within one year	\$ 22,083,618	15,584,363

\* The Organization currently estimates that \$781,643 in nonendowment capital fund will be utilized for general expenditure in 2022. The Organization utilized \$735,103 and \$702,831 in 2021 and 2020, respectively.

WWB regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

**(14) Subsequent Events**

In connection with the preparation of the consolidated financial statements, the Organization evaluated subsequent events after the consolidated statement of financial position date of December 31, 2021 through June 1, 2022, the date the consolidated financial statements were available to be issued, and noted no additional items that would require adjustment to, or disclosure in, the 2021 consolidated financial statements.

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Schedule of Grants and Contributions Receivable Rollforward

December 31, 2021

	Net receivable balance at December 31, 2020	New grants and contributions, 2021	Cash receipts, 2021	Net receivable balance at December 31, 2021
Algorand Foundation Ltd	\$ —	125,000	(125,000)	—
Australia Department of Foreign Affairs and Trade (DFAT)	—	3,326,623	(3,326,623)	—
Bill & Melinda Gates Foundation	—	6,723,160	(6,723,160)	—
Cloudera Foundation, Inc.	10,000	12,500	(22,500)	—
Credit Suisse Foundation	—	530,898	(530,898)	—
Ernst & Young U.S. LLP	—	50,000	—	50,000
Kathryn B. McQuade Foundation	35,000	—	(35,000)	—
New Venture Fund (Data.org)	—	579,620	(579,620)	—
Swiss State Secretariat for Economic Affairs (SECO)	—	196,000	(196,000)	—
Swedish International Development Cooperation Agency (SIDA)	—	1,181,279	(1,181,279)	—
Swiss Capacity Building Facility (SCBF)	52,405	47,211	(29,707)	69,909
Tides Foundation (Google.org Charitable Giving Fund)	—	900,000	(900,000)	—
Visa Foundation	—	3,523,627	(3,523,627)	—
Wal-Mart Foundation	—	1,010,390	(1,010,390)	—
Women's World Banking Technical Assistance Program Trust	—	250,496	—	250,496
Other foundations	4,345	80,025	(79,370)	5,000
Other corporations and organizations	10,000	386,602	(376,602)	20,000
Other individuals	87,405	155,945	(228,660)	14,690
	<u>\$ 199,155</u>	<u>19,079,376</u>	<u>(18,868,436)</u>	<u>410,095</u>

See accompanying independent auditors' report.

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Schedule of Core Funding

Year ended December 31, 2021

	<b>Swedish International Development Cooperation Agency</b>	<b>Australia Department of Foreign Affairs and Trade</b>	<b>Total</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Support and revenue:			
Grants	\$ 1,181,279	3,755,698	4,936,977
Interest income	<u>          —</u>	<u>          —</u>	<u>          —</u>
	1,181,279	3,755,698	4,936,977
Expenses:			
Personnel costs	<u>(1,181,279)</u>	<u>(1,624,640)</u>	<u>(2,805,919)</u>
Net assets with donor restrictions at end of year	\$ <u>          —</u>	<u>2,131,058</u>	<u>2,131,058</u>

Core funders are a grouping of donors who have agreed to support the WWB's strategic plan. All donors have provided guidance on the results framework and expected outcomes of the strategic period. These funds support strategic outcomes of the Organization toward the advancement of financial inclusion for low-income women and are not earmarked for a specific region or work product.

See accompanying independent auditors' report.