

CONCERN WORLDWIDE (U.S.), INC.

AUDIT REPORT

FINANCIAL STATEMENTS AND FEDERAL UNIFORM GUIDANCE REPORTS

YEAR ENDED DECEMBER 31, 2023
(With Independent Auditor's Report Thereon)

CONCERN WORLDWIDE (U.S.), INC.

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SECTION 1

CONCERN WORLDWIDE (U.S.), INC.

***FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
(CFR UNIFORM GUIDANCE AUDIT)***

DECEMBER 31, 2023

CONCERN WORLDWIDE (U.S.), INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Concern Worldwide (U.S.), Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of Concern Worldwide (U.S.), Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Concern Worldwide (U.S.) as of December 31, 2023, and the changes in net assets and its cash flows for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Concern Worldwide (U.S.) 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

**Board of Directors
Concern Worldwide (U.S.), Inc.
New York, New York**

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Concern Worldwide (U.S.)'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Concern Worldwide (U.S.)'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.

Report on Summarized Comparative Information

We have previously audited Concern Worldwide (U.S.), Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

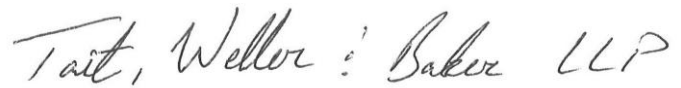
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Board of Directors
Concern Worldwide (U.S.), Inc.
New York, New York

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated August 9, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
August 9, 2024

CONCERN WORLDWIDE (U.S.), INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2023 And 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,501,385	\$ 8,297,714
Investments	3,119,331	2,994,938
Receivables:		
U.S. Government	21,075,995	21,316,295
Contributions	3,771,732	3,755,418
Prepaid expenses and other assets	<u>945,013</u>	<u>144,947</u>
Total Current Assets	<u>36,413,456</u>	<u>36,509,312</u>
OTHER ASSETS		
Cash – restricted	135,722	135,385
Contributions receivable	-	2,000,000
Right of use asset	695,658	1,072,935
Equipment – net of accumulated depreciation of \$1,019,054 in 2023 and \$916,508 in 2022	<u>162,962</u>	<u>265,508</u>
Total Other Assets	<u>994,342</u>	<u>3,473,828</u>
Total Assets	<u>\$37,407,798</u>	<u>\$39,983,140</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 189,084	\$ 2,987,601
Right of use liability	533,804	519,186
Deferred revenue – U.S. Government grants and other	739,664	-
Grants due to Concern Worldwide IRL and other partners	<u>22,283,623</u>	<u>21,341,235</u>
Total Current Liabilities	23,746,175	24,848,022
LONG TERM LIABILITIES		
Right of use liability	<u>410,194</u>	<u>943,997</u>
Total Liabilities	<u>24,156,369</u>	<u>25,792,019</u>
NET ASSETS		
Without donor restrictions – undesignated	5,967,205	5,637,662
Without donor restrictions – board designated	3,119,331	2,994,938
With donor restrictions	<u>4,164,893</u>	<u>5,558,521</u>
Total Net Assets	<u>13,251,429</u>	<u>14,191,121</u>
Total Liabilities And Net Assets	<u>\$37,407,798</u>	<u>\$39,983,140</u>

CONCERN WORLDWIDE (U.S.), INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2023 With Summarized Information For 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2023 Total</u>	<u>2022 Total</u>
Support and Revenue				
Contributions and non-government grants	\$ 2,555,959	\$ 3,228,631	\$ 5,784,590	\$ 10,930,455
Support from Concern Worldwide IRL	2,102,382	-	2,102,382	2,185,767
Government grants	74,628,924	-	74,628,924	63,175,275
Special events – net	1,192,475	-	1,192,475	1,262,299
Other income	328,219	-	328,219	97,255
Net assets released from restrictions	<u>4,622,259</u>	<u>(4,622,259)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>85,430,218</u>	<u>(1,393,628)</u>	<u>84,036,590</u>	<u>77,651,051</u>
Expenses				
Program activities	80,874,962	-	80,874,962	69,502,674
Management and general	1,833,260	-	1,833,260	2,003,639
Fundraising	<u>2,268,060</u>	<u>-</u>	<u>2,268,060</u>	<u>2,739,143</u>
Total expenses	<u>84,976,282</u>	<u>-</u>	<u>84,976,282</u>	<u>74,245,456</u>
Change in net assets	453,936	(1,393,628)	(939,692)	3,405,595
Net Assets				
Beginning of year	<u>8,632,600</u>	<u>5,558,521</u>	<u>14,191,121</u>	<u>10,785,526</u>
End of year	<u>\$ 9,086,536</u>	<u>\$ 4,164,893</u>	<u>\$13,251,429</u>	<u>\$14,191,121</u>

CONCERN WORLDWIDE (U.S.), INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2023 And 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Changes in net assets</i>	\$ (939,692)	\$ 3,405,595
<i>Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	102,546	123,559
Realized and unrealized (gains) losses	(35,721)	42,777
Amortization of right-of-use assets, net of payments on lease liabilities	(141,908)	(451)
(Increase) decrease in		
Receivables – U.S. Government	240,300	(4,613,033)
Receivables – other	1,983,686	(3,866,664)
Prepaid expenses and other assets	(800,066)	215,623
Increase (decrease) in		
Accounts payable and accrued liabilities	(2,798,517)	2,629,535
Deferred revenue – U.S. Government grants and other	739,664	(491,367)
Grants due to Concern Worldwide IRL	<u>942,388</u>	<u>5,263,993</u>
Net cash provided by (used in) operating activities	<u>(707,320)</u>	<u>2,709,567</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,682,226)	(38,125)
Proceeds from sales of investments	<u>4,593,554</u>	<u>-</u>
Net cash used in investing activities	<u>(88,672)</u>	<u>(38,125)</u>
Net change in cash and cash equivalents	(795,992)	2,671,442
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning	<u>8,433,099</u>	<u>5,761,657</u>
Ending	<u>\$ 7,637,107</u>	<u>\$ 8,433,099</u>

CONCERN WORLDWIDE (U.S.), INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2023 With Summarized Information For 2022

	<u>Program</u>			<u>Supporting Services</u>			<u>Total Expenses</u>	
	<u>Overseas Relief</u>	<u>Development Education</u>	<u>Total</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2023 Total</u>	<u>2022 Total</u>
Salaries and Benefits	\$ 2,683,578	\$ 741,912	\$ 3,425,490	\$ 1,486,577	\$ 1,453,773	\$ 2,940,350	\$ 6,365,840	\$ 5,772,900
Travel, Lodging and Meetings	288,717	16,670	305,387	69,537	715,792	785,329	1,090,716	1,244,444
Printing and Publications	7,927	2,003	9,930	2,927	382,254	385,181	395,111	602,205
Professional Fees	344,449	35,335	379,784	54,279	155,339	209,618	589,402	692,473
Website Management	58,501	16,544	75,045	24,428	33,393	57,821	132,866	104,520
Dues and Subscriptions	57,529	9,717	67,246	15,604	22,256	37,860	105,106	116,266
Office Supplies and Expenses	109,628	30,007	139,635	45,944	59,435	105,379	245,014	238,842
Occupancy	244,491	69,474	313,965	104,528	138,900	243,428	557,393	683,912
Video and Exhibitions	497	135	632	197	270	467	1,099	929
Miscellaneous Expenses	13,430	1,349	14,779	1,733	16,228	17,961	32,740	39,557
Packing, Postage and Shipping	1,755	446	2,201	970	20,795	21,765	23,966	19,799
Telephone	8,540	2,440	10,980	7,205	4,877	12,082	23,062	32,316
Grants								
Concern Worldwide IRL	75,636,568	-	75,636,568	-	-	-	75,636,568	64,951,750
Other Partners	435,765	-	435,765	-	-	-	435,765	433,357
Depreciation	<u>44,747</u>	<u>12,808</u>	<u>57,555</u>	<u>19,331</u>	<u>25,660</u>	<u>44,991</u>	<u>102,546</u>	<u>123,559</u>
Total	79,936,122	938,840	80,874,962	1,833,260	3,028,972	4,862,232	85,737,194	75,056,829
Less: Special Events Expenses	-	-	-	-	<u>760,912</u>	<u>760,912</u>	<u>760,912</u>	<u>811,373</u>
Total Expenses	<u>\$79,936,122</u>	<u>\$938,840</u>	<u>\$80,874,962</u>	<u>\$1,833,260</u>	<u>\$2,268,060</u>	<u>\$4,101,320</u>	<u>\$84,976,282</u>	<u>\$74,245,456</u>

See notes to financial statements.

CONCERN WORLDWIDE (U.S.), INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 And 2022

(1) SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND PURPOSE

Concern Worldwide (U.S.), Inc. ("**Concern Worldwide**") is a not-for-profit corporation organized for the purposes of helping people living in extreme poverty to achieve major improvements in their lives which last and spread without ongoing support from Concern. To achieve this mission, Concern engages in long term development work, responds to emergency situations, seeks to address the root causes of poverty through advocacy work, educates the public of the need to provide relief assistance, and cooperates with other charitable organizations whether local, national or international for any of the foregoing purposes. Concern Worldwide is supported primarily by grants, public support and special events.

Concern Worldwide is affiliated with Concern Worldwide IRL, headquartered in Dublin, Ireland. Concern Worldwide IRL has provided and will continue to support Concern Worldwide (U.S.), Inc. in the form of reimbursements, and in-kind support. Concern Worldwide (U.S.), Inc. supports Concern Worldwide IRL by recruiting personnel, providing training and capacity building, technical program support, financial and programmatic monitoring and financial grants for international programs.

BASIS OF PRESENTATION

The accompanying financial statements of Concern Worldwide have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles (GAAP).

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, Concern Worldwide's net assets and changes therein are classified as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect this net asset category principally consist of income from gifts without restrictions; conditional contributions whose conditions are met during the period; resources designated by the Board of Directors; and expenses associated with the core activities of Concern Worldwide.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of Concern Worldwide or the passage of time. Expirations of restrictions on net assets with donor restrictions are reported as net assets released from restrictions.

ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Concern Worldwide occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification ("**ASC**") 825, "**Financial Instruments**" identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

CONCERN WORLDWIDE (U.S.), INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

INCOME TAXES

Concern Worldwide is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and has been classified as a public charity under Section 509(a)(1) of the Code.

Management has reviewed the tax positions for each of the open tax years (2020 – 2022) or expected to be taken in Concern Worldwide’s 2023 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

CASH AND CASH EQUIVALENTS

Concern Worldwide considers cash and cash equivalents to include short-term investments with maturities of less than three months when purchased. Restricted cash is comprised of escrowed funds deposited with a bank relating to a letter of credit required under Concern Worldwide’s lease agreement. The following table provides a reconciliation of cash, cash equivalents and restricted cash in the statements of financial position to the total amount shown on Concern Worldwide’s statements of cash flows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 7,501,385	\$ 8,297,714
Cash – restricted	<u>135,722</u>	<u>135,385</u>
Total cash, cash equivalents and restricted cash	<u>\$ 7,637,107</u>	<u>\$ 8,433,099</u>

INVESTMENTS

Accounting Standards Codification (“ASC”) 958, “Not-for-profit Entities” establishes standards for accounting for certain investments held by not-for-profit organizations and requires that investments in securities be recorded at fair market value with the resulting gains and losses reported in the statement of activities.

The fair market value of investments traded on a securities exchange is determined based on quoted market prices for those investments.

According to the policy approved by the Finance Committee (the “Committee”), Concern Worldwide’s Nonprofit Fund (the “Fund”) was created to provide ongoing financial support to Concern Worldwide. The objective of the Fund is to preserve the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions. The objective is accomplished through the selection of high-quality fixed income investment securities, investment diversification and ongoing management of interest rate risk; maintaining sufficient liquidity to meet the cash flow needs of Concern Worldwide; and maximizing the rate of return on invested funds.

PROPERTY AND EQUIPMENT

Property and equipment are capitalized at cost and depreciated over their estimated useful lives on the straight-line basis (leasehold improvements – 10 years, furniture and fixtures – 5 years, computers and equipment – 3 years). Concern Worldwide follows the practice of capitalizing all expenditures related to property and equipment having a cost in excess of \$5,000. Donated property and equipment are similarly capitalized but at fair market value at the time of donation.

CONCERN WORLDWIDE (U.S.), INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

CONTRIBUTIONS

Concern Worldwide recognizes contributions when cash, securities, or other assets, and unconditional promises to give are received. Conditional contributions include donor-imposed conditions that include one or more barriers that must be overcome and a right of return to the contributor for assets transferred or a right of release of the contributor from its obligation to transfer assets before Concern is entitled to the assets transferred or promised. Concern recognizes conditional contributions when the conditions are substantially met or waived. Unconditional contributions are classified as without donor restrictions unless there are donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are then classified to net assets without donor restrictions and reported in the statement of activities as “*net assets released from restrictions.*”

GOVERNMENT GRANTS

Concern Worldwide receives funding (directly and indirectly) from the United States Agency for International Development (“*USAID*”), including the Bureau for Humanitarian Assistance (“*BHA*”) and from the United States Department of State Bureau of Population, Refugees, and Migration (“*PRM*”) for direct and indirect program costs and to provide certain whole or partial sub-grants to other agencies. Revenues from such grants are considered to be conditional contributions and are recognized as qualifying expenses are incurred. Concern adopted the simultaneous release option for donor-restricted conditional grants that are recognized as used within the same reporting period, therefore, these amounts are reported as without donor restriction.

CONTRIBUTED SERVICES AND EQUIPMENT

Concern Worldwide received donated services from a variety of volunteers. These services are not subject to reasonable objective measurements and as such, are not reflected in the accompanying financial statements.

FUNCTIONAL ALLOCATION OF EXPENSES

The financial statements report certain categories of expenses that benefit more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, rent, utilities and shared operating expenses which are allocated on a headcount basis, and salaries and benefits, which are allocated on the basis of estimates of time and effort.

LEASES

Operating leases are included in operating lease right-of-use (“*ROU*”) assets and *ROU* lease liabilities in the statement of financial position. Concern Worldwide determines whether an agreement is or contains a lease at lease inception.

ROU assets represent Concern Worldwide’s right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease *ROU* assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As Concern Worldwide’s leases do not provide an implicit interest rate, the incremental borrowing rate based on the information available at commencement date is used in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

CONCERN WORLDWIDE (U.S.), INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

PRIOR YEAR INFORMATION

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Concern Worldwide’s audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

(2) INVESTMENTS

At December 31, 2023 and 2022 investments consisted of the following:

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Money Market Funds	\$ 509,743	\$ 509,743	\$ 309,034	\$ 309,034
U.S. Treasury Notes	2,584,315	2,609,588	-	-
Fixed Income Funds	-	-	<u>2,739,143</u>	<u>2,685,904</u>
	<u>\$3,094,058</u>	<u>\$ 3,119,331</u>	<u>\$3,048,177</u>	<u>\$ 2,994,938</u>

Investment earnings for the years ended December 31, 2023 are comprised of the following and included in other income on the statement of activities and changes in net assets:

Interest and dividends	\$ 96,013
Net realized and unrealized gains	<u>35,721</u>
	<u>\$131,734</u>

The following describes the hierarchy of inputs used to measure market value and the primary valuation methodologies used by Concern Worldwide for investments measured at market value on a recurring basis. An investment’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the market value measurement. The three levels of inputs are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities. Market price data is generally obtained from exchange or dealer markets.

Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities. Inputs are obtained from various sources including market participants, dealers, and brokers.

Level 3 - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment.

The methods described above may produce a market value calculation that may not be indicative of net realizable value or reflective of future market values. Furthermore, Concern Worldwide, Inc. believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the market value of certain investments could result in a different estimate of market value.

CONCERN WORLDWIDE (U.S.), INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

The following table presents the investments carried at market value as of December 31:

	<u>2023</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Cash	\$ 509,743	\$ -	\$ -	\$ 509,743
U.S. Treasury Notes	<u>2,609,588</u>	<u>-</u>	<u>-</u>	<u>2,609,588</u>
	<u>\$3,119,331</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,119,331</u>

	<u>2022</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Cash	\$ 309,034	\$ -	\$ -	\$ 309,034
Fixed Income Funds	<u>2,685,904</u>	<u>-</u>	<u>-</u>	<u>2,685,904</u>
	<u>\$2,994,938</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,994,938</u>

(3) CONTRIBUTIONS RECEIVABLE

Concern Worldwide had contributions receivable that are expected to be collected as follows at December 31:

	<u>2023</u>	<u>2022</u>
Due within a year	\$3,771,732	\$3,755,418
Due between one and five years	<u>-</u>	<u>2,000,000</u>
	<u>\$3,771,732</u>	<u>\$5,755,418</u>

(4) NET ASSETS

The board designated \$3,119,331 and \$2,994,938 of net assets without donor restrictions as an operating reserve in 2023 and 2022, respectively. The operating reserve is used as an internal line of credit to manage cash flow and maintain financial flexibility.

Net assets with donor restrictions at December 31 are available for use in future periods and designated for projects in the following geographical areas of concern:

	<u>2023</u>	<u>2022</u>
Bangladesh	\$3,774,893	\$4,545,456
Kenya	360,000	-
Ukraine	-	551,500
Afghanistan	-	272,729
Other	<u>30,000</u>	<u>188,836</u>
	<u>\$4,164,893</u>	<u>\$5,558,521</u>

For the years ended December 31, 2023 and 2022, net assets of \$4,622,259 and \$2,635,891, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

CONCERN WORLDWIDE (U.S.), INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

(5) SPECIAL EVENTS

During 2023 and 2022, Concern Worldwide held various fund-raising events. The gross receipts from these events were \$1,953,387 and \$2,073,672 for 2023 and 2022, respectively. Direct expenses consisting of \$760,912 in 2023 and \$811,373 in 2022 were charged against these receipts resulting in net proceeds of \$1,192,475 and \$1,262,299 respectively.

(6) LEASE COMMITMENTS

Concern Worldwide has a long-term agreement to lease its office space in New York City which is an operating lease. The following is quantitative data related to Concern's operating lease for the year ended December 31, 2023:

Operating Lease Amounts:

Right-of-use asset	\$ 695,658
Lease liability	943,998

Other Information:

Operating outgoing cash flows for operating leases	\$ 553,000
Weighted-average remaining lease term	1.71 years
Weighted average discount rate	2.78%

Lease cost information for the year ended December 31, 2023 is as follows:

Operating lease cost	\$ 553,280
Variable lease costs	<u>120,669</u>
Total lease Costs	<u>\$ 673,949</u>

Approximate future minimum rentals under its non-cancelable operating lease is as follows:

	<u>Office Facilities</u>
2024	\$ 553,000
2025	<u>392,000</u>
	<u>\$ 945,000</u>

(7) CONTINGENCY

Under the terms of the U.S. Government grants, which are made based upon the acceptance by the U.S. Government of the program proposals submitted by Concern Worldwide, amounts are stipulated for both direct program costs and administrative overhead costs. The administrative overhead rates used by Concern Worldwide, while provisionally approved, are subject to review and final approval by the U.S. Government. The administrative overhead rate has been approved through December 31, 2021. Management does not expect the effects of any differences that may result between the final 2022 and 2023 rates and the respective provisional rates used to prepare the financial statements to be material.

CONCERN WORLDWIDE (U.S.), INC.

NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2023 And 2022

(8) PENSION PLANS

Full time employees are eligible to contribute to Concern Worldwide's defined contribution retirement plan immediately. Concern Worldwide matches up to 3% of eligible employees' contributions to the plan after three months of service. Total pension expense was approximately \$131,900 and \$107,200 for the periods ended December 31, 2023 and 2022.

(9) FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Concern Worldwide strives to maintain liquid financial assets to be available as its general expenditures, liabilities and other obligations become due. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

The following table reflects Concern Worldwide's financial assets as of December 31, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date, and does not include expected drawdowns on federal awards that will support its operating budget.

	<u>2023</u>	<u>2022</u>
Financial Assets:		
Cash and cash equivalents	\$ 7,501,385	\$ 8,297,714
Investments	3,119,331	2,994,938
Receivables	<u>24,847,727</u>	<u>25,071,713</u>
Total financial assets	35,468,443	36,364,365
Less:		
Net assets with donor restrictions, current	(4,164,893)	(3,740,339)
Board designated net assets	<u>(3,119,331)</u>	<u>(2,994,938)</u>
Financial assets available to meet current obligations	<u>\$28,184,219</u>	<u>\$29,629,088</u>

Concern has board designated net assets in the amount noted above, which could be made available, if necessary, with board approval.

(10) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, August 9, 2024, have been evaluated in the preparation of the financial statements.

SUPPLEMENTAL INFORMATION

CONCERN WORLDWIDE (U.S.), INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2023

<u>Federal Awarding Agency/Program Title</u>	<u>Federal ALN</u>	<u>Received As A Sub-Award From</u>	<u>Grant / Contract Number</u>	<u>Provided To Sub-Recipients</u>	<u>Total Amount Federal Expenditures</u>
DEPARTMENT OF STATE					
OVERSEAS REFUGEE ASSISTANCE PROGRAM FOR NEAR EAST	19.519	N/A	SPRMCO20CA0203	\$ -	\$ 14,565
OVERSEAS REFUGEE ASSISTANCE PROGRAM FOR STRATEGIC GLOBAL PRIORITIES	19.522	N/A	SPRMCO21CA3295	-	13,613
OVERSEAS REFUGEE ASSISTANCE PROGRAM FOR NEAR EAST	19.519	N/A	SPRMCO19CA0177	-	(49)
OVERSEAS REFUGEE ASSISTANCE PROGRAM FOR SOUTH ASIA	19.523	N/A	SPRMCO22CA0337	1,265,983	1,306,267
OVERSEAS REFUGEE ASSISTANCE PROGRAM FOR SOUTH ASIA	19.523	INTERNATIONAL RESCUE COMMITTEE	SPRMCO20CA0181	-	18,892
OVERSEAS REFUGEE ASSISTANCE PROGRAM FOR SOUTH ASIA	19.523	INTERNATIONAL RESCUE COMMITTEE	SPRMCO22CA163	1,515,256	1,581,355
OVERSEAS REFUGEE ASSISTANCE PROGRAM FOR SOUTH ASIA	19.523	INTERNATIONAL RESCUE COMMITTEE	SPRMCO23CA0296	<u>208,579</u>	<u>216,973</u>
TOTAL DEPARTMENT OF STATE				<u>2,989,818</u>	<u>3,151,616</u>
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT					
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720FDA19CA00077	(4,873)	-
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720FDA19CA00046	-	(41,556)
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	72DFFP19GR00057	-	(41,511)
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	72027619CA00001	-	700
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720FDA19CA00017	-	2,802
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720FDA20GR00036	-	25,804
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720FDA20CA00064	-	14,890
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA21GR00089	-	77,020
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720FDA20GR00282	-	1,237
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA21GR00350	-	67,240
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA21GR00260	-	52,440
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA21GR00276	-	19,765
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA22GR00033	-	5,927
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720FDA18CA00050	3,406,604	3,615,222
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720FDA20GR00322	(20,522)	(21,555)
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA21GR00101	1,430,645	1,501,236
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA21GR00237	1,940,382	2,034,163
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA21GR00223	4,234,752	4,423,880
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA22GR00009	1,011,422	1,066,491
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA21CA00037	178,769	564,727
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA22CA00016	12,681,955	13,247,862

CONCERN WORLDWIDE (U.S.), INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)

Year Ended December 31, 2023

<u>Federal Awarding Agency/Program Title</u>	<u>Federal ALN</u>	<u>Received As A Sub-Award From</u>	<u>Grant / Contract Number</u>	<u>Provided To Sub-Recipients</u>	<u>Total Amount Federal Expenditures</u>
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA22GR00176	10,143,258	10,576,796
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA22GR00247	3,007,719	3,173,985
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA22GR00273	830,201	866,299
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA22CA00059	440,637	599,926
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA22GR00368	5,144,202	5,373,296
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA23GR00081	5,818,783	6,000,000
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA23GR00137	4,693,477	4,896,126
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA23GR00180	659,817	686,469
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	72DFFP20GR00092	-	(10,911)
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA23GR00272	88,116	91,646
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA23GR00199	2,018,517	2,099,841
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	N/A	720BHA23CA00024	19,622	20,405
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	SAVE THE CHILDREN INTERNATIONAL	720FDA20GR00146	-	136
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	SAVE THE CHILDREN INTERNATIONAL	720BHA21GR00268	-	42,514
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	INTERNATIONAL MEDICAL CORPS	720FDA20GR00182	(1,334)	(1,374)
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	Mercy Corps	720BHA22CA00017	3,895,577	4,058,016
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	Mercy Corps	720BHA22GR00262	1,834,156	1,909,622
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	INTERNATIONAL MEDICAL CORPS	720FDA20CA00073	-	183,539
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	INTERNATIONAL MEDICAL CORPS	720BHA21CA00006	242,657	551,219
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	CATHOLIC RELIEF SERVICES	72DFFP19CA00002	1,923,232	2,019,965
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	POPULATION SERVICES INTERNATIONAL	72066922CA00001	920,587	958,770
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	SAVE THE CHILDREN INTERNATIONAL	720BHA23GR00029	693,118	720,871
USAID FOREIGN ASSISTANCE FOR PROGRAMS OVERSEAS	98.001	INTERNATIONAL MEDICAL CORPS	720BHA23CA00012	-	43,368
TOTAL U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT				<u>67,231,476</u>	<u>71,477,308</u>
TOTAL EXPENDITURE OF FEDERAL AWARDS				<u>\$ 70,221,294</u>	<u>\$ 74,628,924</u>

CONCERN WORLDWIDE (U.S.), INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2023

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Concern Worldwide (U.S.), Inc. (“Concern Worldwide”) under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal regulations (CFR) Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Concern Worldwide, it is not intended and does not present the financial position, changes in net assets, or cash flows of Concern Worldwide.

Amounts provided to sub-recipients shown separately on the Schedule are also a component of the federal expenditures presented.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(3) INDIRECT COST RATE

The accompanying indirect rate calculation is prepared in accordance with the Uniform Guidance and additional regulations issued by the United States Agency for International Development (USAID).

Concern Worldwide (U.S.) Inc. has elected not to use 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

SECTION 2

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
 OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS**

**Board of Directors
 Concern Worldwide (U.S.), Inc.
 New York, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Concern Worldwide (U.S.), Inc. (the “Organization”), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 9, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Board of Directors
Concern Worldwide (U.S.), Inc.
New York, New York**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
August 9, 2024**

SECTION 3

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN REQUIRED BY THE UNIFORM GUIDANCE**

**Board of Directors
Concern Worldwide (U.S.), Inc.
New York, New York**

Report On Compliance For Each Major Federal Program

Opinion On Each Major Federal Program

We have audited the compliance of Concern Worldwide (U.S.), Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2023. Concern Worldwide (U.S.)'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Concern Worldwide (U.S.) complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Concern Worldwide (U.S.) and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Concern Worldwide (U.S.)'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Concern Worldwide (U.S.)'s federal programs.

**Board of Directors
Concern Worldwide (U.S.), Inc.
New York, New York**

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Concern Worldwide (U.S.)'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Concern Worldwide (U.S.)'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Concern Worldwide (U.S.)'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Concern Worldwide (U.S.)'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Concern Worldwide (U.S.)'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**Board of Directors
Concern Worldwide (U.S.), Inc.
New York, New York**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
August 9, 2024**

SECTION 4

CONCERN WORLDWIDE (U.S.), INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2023

SECTION I

Summary of Auditor's Results

1. An unmodified opinion was issued on the financial statements in accordance with GAAP of Concern Worldwide (U.S.), Inc., as of and for the year ended December 31, 2023.
2. There were no significant deficiencies or material weaknesses noted with respect to Concern Worldwide (U.S.), Inc.'s internal control over financial reporting.
3. Our audit disclosed no instances of noncompliance which are material to the financial statements of Concern Worldwide (U.S.), Inc.
4. No significant deficiencies or material weaknesses were reported with respect to Concern Worldwide (U.S.), Inc.'s internal control over its major programs.
5. An unmodified opinion was issued on compliance with requirements applicable to the major programs of Concern Worldwide (U.S.), Inc. in accordance with the Uniform Guidance.
6. Our audit disclosed no findings which are required to be reported in accordance with 2 CFR section 200.516(a).
7. The major programs of Concern Worldwide (U.S.), Inc. were as follows:

Federal Grant/Program Title

Federal CFDA Number

USAID Foreign Assistance for Programs Overseas

98.001

8. The dollar threshold used to distinguish a Type A program from a Type B program was \$2,238,868.
9. Concern Worldwide (U.S.), Inc. qualified as a low-risk auditee.

SECTION II

Findings Related to Financial Statements

None

SECTION III

Federal Award Findings and Questioned Costs

None

SECTION 5

CONCERN WORLDWIDE (U.S.), INC.

PRIOR YEAR FINDINGS

Year Ended December 31, 2023

The audit for the year ended December 31, 2022 disclosed no areas of non-compliance.

SECTION 6

INDEPENDENT AUDITORS' REPORT

Board of Directors
Concern Worldwide (U.S.), Inc.
New York, New York

Report on Schedule of Indirect Cost Rate Calculation

We have audited the accompanying schedule of indirect cost calculation of Concern Worldwide (U.S.), Inc. (the "Organization") for the year ended December 31, 2023.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the schedule; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We have also audited the financial statements of the Organization for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America and have issued our report thereon dated September 20, 2023.

We conducted our audit of the schedule of indirect cost calculation in accordance with auditing standards generally accepted in the United States of America, **Government Auditing Standards**, and the requirements of the Uniform Guidance. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of indirect cost calculation is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the schedule of indirect cost calculation referred to above presents fairly, in all material respects, the indirect cost calculation of Concern Worldwide (U.S.), Inc. for the year ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Tait, Weller & Baker LLP

Philadelphia, Pennsylvania
August 9, 2024

SECTION 7

CONCERN WORLDWIDE (U.S.), INC.

SCHEDULE OF INDIRECT COST CALCULATION

Year Ended December 31, 2023

	<u>Per Audited Financial Statements</u>	<u>Adjustments (Note 2)</u>	<u>Allowable Costs</u>
GENERAL AND ADMINISTRATIVE RATE			
General and administrative costs:			
Salaries and Benefits	\$ 1,486,577	\$ 3,356,436	\$ 4,843,013
Travel, Lodging and Meetings	69,537	107,481	177,018
Printing and Publications	2,927	39,385	42,312
Professional Fees	54,279	237,917	292,196
Website Management	24,428	108,438	132,866
Dues and Subscriptions	15,604	75,640	91,244
Office Supplies and Expenses	45,944	188,510	234,454
Occupancy	104,528	452,865	557,393
Video and Exhibitions	197	901	1,098
Miscellaneous Expenses	1,733	5,421	7,154
Packing, Postage and Shipping	970	2,977	3,947
Telephone	7,205	15,856	23,061
Depreciation	<u>19,331</u>	<u>83,215</u>	<u>102,546</u>
	<u>\$ 1,833,260</u>	<u>\$ 4,675,042</u>	<u>\$ 6,508,302</u>
Less: amounts supporting sub-award management			<u>3,338,225</u>
			<u>3,170,077</u>
ALLOCATION BASE			
Total expenses			\$ 84,976,282
Less: general and administrative costs			<u>6,508,302</u>
			<u>\$ 78,467,980</u>
GENERAL AND ADMINISTRATIVE RATE			<u>4.04%</u>

CONCERN WORLDWIDE (U.S.), INC.

SCHEDULE OF INDIRECT COST CALCULATION – (Continued)

Year Ended December 31, 2023

	<u>Per Audited Financial Statements</u>	<u>Adjustments (Note 2)</u>	<u>Allowable Costs</u>
SUB-AWARD RATE			
General and administrative costs:			
Salaries and Benefits	\$ 1,486,577	\$ 3,356,436	\$ 4,843,013
Travel, Lodging and Meetings	69,537	107,481	177,018
Printing and Publications	2,927	39,385	42,312
Professional Fees	54,279	237,917	292,196
Website Management	24,428	108,438	132,866
Dues and Subscriptions	15,604	75,640	91,244
Office Supplies and Expenses	45,944	188,510	234,454
Occupancy	104,528	452,865	557,393
Video and Exhibitions	197	901	1,098
Miscellaneous Expenses	1,733	5,421	7,154
Packing, Postage and Shipping	970	2,977	3,947
Telephone	7,205	15,856	23,061
Depreciation	<u>19,331</u>	<u>83,215</u>	<u>102,546</u>
	<u>\$ 1,833,260</u>	<u>\$ 4,675,042</u>	<u>\$ 6,508,302</u>
Less: amounts supporting operations			<u>3,170,077</u>
			<u>3,338,225</u>
ALLOCATION BASE			
Total expenses			\$ 84,976,282
Less: general and administrative costs			6,508,302
Less: costs not associated with sub-awards			<u>2,395,645</u>
			<u>\$ 76,072,335</u>
SUB-AWARD RATE			<u>4.39%</u>

CONCERN WORLDWIDE (U.S.), INC.

SCHEDULE OF INDIRECT COST CALCULATION – (Continued)

Year Ended December 31, 2023

1. BASIS OF PRESENTATION

Concern Worldwide (U.S.), Inc. has entered into numerous grants, contracts and cooperative agreements, principally with the U.S. Agency for International Development (USAID). USAID has established provisional rates for charging general and administrative costs under the various agreements.

The cost pools included in the accompanying schedule are based on the agreements with USAID and the cost principles contained in the Uniform Guidance. It is intended that the information in the accompanying schedule be used to determine final rate adjustments under agreements with USAID.

2. ADJUSTMENTS

Certain costs included in programmatic and fundraising expenses for financial reporting purposes have been reclassified to the general and administrative expenses as these costs benefit all programs and are allocated based upon the calculation of the indirect rates.

3. APPLICATION OF INDIRECT COST RATE

Concern Worldwide (U.S.) charges the general and administrative rate to awards it manages directly, and it charges the sub-award rate to the awards it provides to sub-recipients.