

WOMEN THRIVE WORLDWIDE

DECEMBER 31, 2011

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in their entirety**

WOMEN THRIVE WORLDWIDE

DECEMBER 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Women Thrive Worldwide
Washington, DC

We have audited the accompanying statement of financial position of Women Thrive Worldwide as of December 31, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women Thrive Worldwide as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads 'Ross, Langan & McKendree LLP'. The signature is written in a cursive, flowing style.

CERTIFIED PUBLIC ACCOUNTANTS

October 3, 2012

WOMEN THRIVE WORLDWIDE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 439,467
Contributions receivable, net - current	1,101,742
Other current assets	<u>21,600</u>

Total current assets \$ 1,562,809

PROPERTY AND EQUIPMENT

Computer equipment and software	65,768
Furniture	8,933
Less: accumulated depreciation and amortization	<u>(57,705)</u>

Total property and equipment 16,996

OTHER ASSETS

Contributions receivable, net - noncurrent	<u>73,000</u>
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TOTAL ASSETS \$ 1,652,805

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 77,463
Accrued expenses	21,456
Capital lease obligation - short term	<u>1,113</u>

Total current liabilities \$ 100,032

LONG-TERM LIABILITIES

Capital lease obligation - long term	<u>798</u>
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TOTAL LIABILITIES 100,830

NET ASSETS

Unrestricted	56,455
Temporarily restricted	<u>1,495,520</u>

TOTAL NET ASSETS 1,551,975

TOTAL LIABILITIES AND NET ASSETS \$ 1,652,805

See independent auditor's report. The accompanying notes are integral part of these financial statements.

WOMEN THRIVE WORLDWIDE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 530,454	\$ 1,439,013	\$ 1,969,467
Donated services	140,491	-	140,491
Interest income	973	-	973
Other income	11,684	-	11,684
Net assets released from restrictions	<u>1,347,176</u>	<u>(1,347,176)</u>	<u>-</u>
Total support and revenue	<u>2,030,778</u>	<u>91,837</u>	<u>2,122,615</u>
EXPENSES			
Program services:			
Basic education	510	-	510
Hunger and food security	556,258	-	556,258
Effective global aid	536,407	-	536,407
Economic opportunity and trade	149,933	-	149,933
Lobbying	77,079	-	77,079
Violence against women and girls	<u>386,419</u>	<u>-</u>	<u>386,419</u>
Total program services	<u>1,706,606</u>	<u>-</u>	<u>1,706,606</u>
Support services:			
General and administrative	326,729	-	326,729
Fundraising	<u>149,699</u>	<u>-</u>	<u>149,699</u>
Total support services	<u>476,428</u>	<u>-</u>	<u>476,428</u>
Total expenses	<u>2,183,034</u>	<u>-</u>	<u>2,183,034</u>
CHANGE IN NET ASSETS	(152,256)	91,837	(60,419)
NET ASSETS, BEGINNING OF YEAR	<u>208,711</u>	<u>1,403,683</u>	<u>1,612,394</u>
NET ASSETS, END OF YEAR	<u>\$ 56,455</u>	<u>\$ 1,495,520</u>	<u>\$ 1,551,975</u>

See independent auditor's report. The accompanying notes are integral part of these financial statements.

WOMEN THRIVE WORLDWIDE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	Program Services						Supporting Services			
	Basic Education	Hunger and Food Security	Effective Global Aid	Economic Opportunity and Trade	Lobbying	Violence Against Women and Girls	Total Program Expenses	General and Administrative	Fundraising	Total
Accounting and audit	\$ 22	\$ 13,942	\$ 15,977	\$ 3,775	\$ 1,535	\$ 10,782	\$ 46,033	\$ 10,168	\$ 3,208	\$ 59,409
Conferences and meetings	-	19,985	2,688	258	1,768	1,281	25,980	12,165	118	38,263
Consulting services	6	127,236	81,790	32,872	1,077	61,767	304,748	21,441	51,932	378,121
Depreciation and amortization	4	2,498	2,862	676	275	1,933	8,248	1,825	575	10,648
Grants and contributions	-	17,838	47	20	-	47	17,952	206	270	18,428
Information technology	11	6,994	8,015	1,894	769	5,409	23,092	4,351	1,609	29,052
Insurance	-	149	129	52	14	90	434	3,769	20	4,223
Interest expense	5	1,816	1,984	599	205	1,465	6,074	1,551	409	8,034
Occupancy	41	26,755	30,660	7,244	2,945	20,691	88,336	19,512	6,157	114,005
Office expenses	24	19,701	24,973	8,771	12,726	23,586	89,781	32,645	15,673	138,099
Salaries, taxes, and benefits	397	287,264	325,856	77,441	31,326	219,698	941,982	200,541	62,057	1,204,580
Travel	-	11,596	9,688	1,870	3,780	7,192	34,126	2,618	2,937	39,681
Subtotal	510	535,774	504,669	135,472	56,420	353,941	1,586,786	310,792	144,965	2,042,543
Donated legal fees and advertising	-	20,484	31,738	14,461	20,659	32,478	119,820	15,937	4,734	140,491
TOTALS	510	556,258	536,407	149,933	77,079	386,419	1,706,606	326,729	149,699	2,183,034

See independent auditor's report. The accompanying notes are integral part of these financial statements.

WOMEN THRIVE WORLDWIDE
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets		\$(60,419)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	\$ 10,648	
Donated securities	(5,170)	
Increase in contributions receivable	(437,029)	
Decrease in other current assets	12,367	
Increase in accounts payable	33,816	
Decrease in accrued expenses	<u>(9,610)</u>	
Total adjustments		<u>(394,978)</u>
Net cash used in operating activities		(455,397)

CASH FLOWS FROM INVESTING ACTIVITIES

Sale of securities	5,170	
Purchase of property and equipment	<u>(3,483)</u>	
Net cash provided by investing activities		1,687

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on line of credit	(100,000)	
Borrowings on line of credit	100,000	
Principal payments on capital leases	<u>(1,832)</u>	
Net cash used in financing activities		<u>(1,832)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (455,542)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 895,009

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 439,467

SUPPLEMENTAL SCHEDULE OF CASH FLOW INFORMATION:

Cash paid during the year for interest \$ 8,034

See independent auditor's report. The accompanying notes are integral part of these financial statements.

WOMEN THRIVE WORLDWIDE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Women Thrive Worldwide (the Organization) was formed in 1998 to ensure that U.S. international aid and trade programs work for women. The Organization advocates for change at the U.S. and global levels so that women and men can share equally in the enjoyment of opportunities, economic prosperity, voice, and freedom from fear and violence. The Organization's work is grounded in the realities of women living in poverty. The Organization partners with locally based organizations and creates powerful coalitions to advance the interests of the women and girls it serves. The Organization receives funding from private foundations, corporations, individuals and organizations to support its programs and activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), which is the sole source of authoritative generally accepted accounting principles in the United States. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Uses of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at historical cost or estimated fair market value, if donated. Depreciation and amortization is recorded on the straight-line method over the useful lives of the assets, generally five years. Purchases of assets costing \$500 or more and having an estimated useful life greater than one year are capitalized.

Cash and Cash Equivalents

The Organization considers all highly liquid money market instruments purchased with maturities of three months or less to be cash equivalents.

Donated Services

The Organization recognizes contribution revenue for certain services received at the fair value of those services. In the year ended December 31, 2011, the Organization received an estimated \$140,491 in donated professional legal services used in general and administrative, program and fundraising activities and donated advertising of programs that are recorded in the accompanying statement of activities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and Grants

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when the stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All contributions, including unconditional promises to give, are recorded as made. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are reported at their net present realizable value. Unconditional promises to give due in subsequent years are reported at their net present realizable value, using the Organization's borrowing rate of 4.25 percent in December 2011.

Contributions receivable are charged to bad debt expense as they are deemed uncollectible. At December 31, 2011, no allowance for uncollectible accounts was considered necessary by management. The contributions and grants receivable as of December 31, 2011 were due as follows:

<u>Years ended December 31,</u>	<u>Amount</u>
2012	\$ 1,101,742
2013 - 2016	77,000
Discount to present value	(4,000)
Total	<u>\$ 1,174,742</u>

Subsequent Events

The Organization has evaluated subsequent events through October 3, 2012, which is the date the financial statements were available to be issued.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Organization has cash deposits with its principal bank in excess of the amount insured by the Federal Deposit Insurance Corporation. As of December 31, 2011, the Organization had \$217,294 on deposit in excess of federally insured limits. The Organization does not believe they are exposed to any significant credit risk.

As of December 31, 2011, eighty-five percent of the Organization's contributions receivable were from two foundations. The Organization does not believe that they are exposed to any significant credit risk.

Eighty percent of contributions revenue for the year ended December 31, 2011 was from six foundations and individuals.

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - COMMITMENTS

Operating Lease

In January 2003, the Organization entered into a one-year lease agreement for office space. The lease has been extended annually and expired December 31, 2011. Subsequently, the lease was converted to a month-to-month agreement. Occupancy expense for 2011 was \$114,005, including storage rentals of \$1,413.

Equipment Leases

During 2009, the Organization entered into an interest-free five-year lease agreement for new copy equipment, with imputed interest of 4.25 percent. A capital leased asset of \$10,250 has been recorded in the statement of financial position as of December 31, 2011, with accumulated amortization of \$5,299. Amortization expense is included in depreciation and amortization expense in the accompanying statement of functional expenses. The corresponding liability was \$1,911 as of December 31, 2011. Future minimum payments discounted to present value are as follows:

<u>Years ended December 31,</u>	<u>Future Minimum Payments</u>	<u>Imputed Interest</u>	<u>Net Present Value</u>
2012	\$ 5,700	\$ 4,587	\$ 1,113
2013	5,700	5,025	675
2014	<u>1,425</u>	<u>1,302</u>	<u>123</u>
Total	<u>\$ 12,825</u>	<u>\$ 10,914</u>	<u>\$ 1,911</u>

Line of Credit

The Organization has a line of credit of up to \$200,000 that expires on April 12, 2012 and has an interest rate of 4.25 percent. As of December 31, 2011, there was no balance due under this line of credit.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2011:

Program restriction	\$ 171,507
Pledges receivable - time restriction	874,013
Program and time restriction	<u>450,000</u>
Total	<u>\$ 1,495,520</u>

NOTE 6 - RETIREMENT PLAN

The Organization had a 403(b) retirement plan for all eligible employees that allowed for discretionary contributions from the Organization and was frozen as of June 30, 2009. In 2009, the Organization established a 401(k) profit sharing plan for all eligible employees that also allows for discretionary contributions from the Organization. Total contributions to the 401(k) plan were \$30,340 for the year ended December 31, 2011. Plan contributions are included in salaries, taxes and benefits in the accompanying statement of functional expenses.

See independent auditor's report. The accompanying notes are integral part of these financial statements.

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PROGRAM SERVICES

The program services of the Organization consist of the following:

Basic Education

The Organization is working to improve learning outcomes for all children in developing countries by mobilizing donor and developing country government resources towards interventions that help children learn, not just access school.

Hunger and Food Security

The Organization is working to enhance smallholder women farmers' empowerment, earnings and productivity in developing countries. Closing these gender gaps in agriculture will also address hunger and significantly improve overall food security. The Organization does this by including smallholder women farmers' needs in U.S. government international agricultural policy and to monitor implementation of these significant reforms in the field.

Effective Global Aid

The Organization is working to make U.S. foreign assistance and policies are more efficient and effective, address gender inequality and foster women and girl's empowerment by meaningfully integrating gender and incorporating participatory processes. The Organization ensures that the gender policy ultimately benefits millions of women and girls who would have otherwise been overlooked.

Economic Opportunity and Trade

The Organization has made important contributions in this area including how the U.S. government designs trade programs, increasing women's access to property rights, and supporting local women's groups around the world to run economic opportunity programs. The Organization is working on women's access to economic opportunities, ensuring it meets the needs women and girls living in poverty over the next decades.

Lobbying

The Organization conducts both general lobbying and grassroots lobbying. General lobbying deals with activities intended to directly influence legislation. Grassroots lobbying encourages the general public to communicate to members of Congress a specific view on a specific piece of legislation.

Violence Against Women and Girls

The Organization is working to significantly prevent and reduce all forms of violence against women and girls in developing countries.

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - INCOME TAXES

The Organization received a determination letter from the Internal Revenue Service (IRS) granting an exemption from federal income taxes and qualifying it as a publicly supported organization under Section 501(c)(3) and 170(b)(1)(A)(vi) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Organization believes that its operations are consistent with the nature of their exemption granted by the IRS. There is no current liability for income taxes and no temporary differences resulting in deferred taxes as of December 31, 2011.

The Organization is required to measure, recognize, present, and disclose in its financial statements uncertain income tax positions the Organization has taken in the tax years that remain subject to examination or expects to take on an income tax return. The Organization recognizes the tax benefits from uncertain income tax positions only if it is more likely than not that the tax position will be sustained on examination by tax authorities. Prior year income tax returns may be subject to audit in various tax jurisdictions, most of which define open tax years as three years from the later of the due date or the date the return was filed. The Organization recorded no liability for uncertain income tax positions for any open tax years.

NOTE 9 - SUBSEQUENT EVENT

Subsequent to December 31, 2011, the Organization entered into an agreement for a long-term lease for new office space. The lease calls for a security deposit of \$43,865, monthly payments for base rent that escalate over time and the payment of operating expenses not included in the covered services. The lease also has rent abatements over the first two years. Future minimum payments for base rent under this new lease are:

<u>Years ended December 31,</u>	<u>Amount</u>
2012	\$ 14,622
2013	116,974
2014	165,262
2015	185,244
2016	190,338
Thereafter	<u>603,001</u>
Total	<u>\$ 1,275,441</u>