

WOMEN THRIVE WORLDWIDE

DECEMBER 31, 2015

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in their entirety**

WOMEN THRIVE WORLDWIDE

DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Women Thrive Worldwide
Washington, DC

Scope

We have audited the accompanying financial statements of Women Thrive Worldwide (the Organization), which comprise the statement of financial position as of December 31, 2015, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Women Thrive Worldwide
Washington, DC
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Opinion

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with generally accepted accounting principles in the United States of America.

Emphasis-of-Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 3 to the financial statements, the Organization has suffered recurring significant reductions in grant revenue and has a net deficiency in unrestricted net assets that raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Ross, Langan & McKeedee
L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

November 15, 2016

WOMEN THRIVE WORLDWIDE

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 179,389
Contributions receivable, net - current	94,532
Other current assets	<u>15,808</u>

Total current assets \$ 289,729

NONCURRENT ASSETS

Property and equipment, net	43,094
Deposits	24,442
Contributions receivable, net - noncurrent	<u>38,841</u>

Total noncurrent assets 106,377

TOTAL ASSETS \$ 396,106

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 7,199
Accrued salaries, benefits, and taxes	13,650
Recoverable grant payable, net - current	21,423
Capital lease - current	<u>15,533</u>

Total current liabilities \$ 57,805

NONCURRENT LIABILITIES

Deferred rent	17,150
Recoverable grant payable, net - noncurrent	70,421
Related party loan payable, net - noncurrent	40,799
Capital lease - noncurrent	<u>20,119</u>

Total noncurrent liabilities 148,489

TOTAL LIABILITIES 206,294

NET ASSETS

Unrestricted	(98,130)
Temporarily restricted	<u>287,942</u>

TOTAL NET ASSETS 189,812

TOTAL LIABILITIES AND NET ASSETS \$ 396,106

The accompanying notes are an integral part of these financial statements.

WOMEN THRIVE WORLDWIDE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 107,054	\$ 248,879	\$ 355,933
Donated legal services	84,210	-	84,210
Other income	5,285	-	5,285
Net assets released from restrictions	<u>1,039,043</u>	<u>(1,039,043)</u>	<u>-</u>
Total support and revenue1,235,592	..(.....790,164)445,428
EXPENSES			
Program services:			
Basic education	326,912	-	326,912
Economic opportunity and trade	275,077	-	275,077
Violence against women and girls	<u>188,102</u>	<u>-</u>	<u>188,102</u>
Total program services790,091-790,091
Support services:			
General and administrative	433,002	-	433,002
Fundraising	<u>358,347</u>	<u>-</u>	<u>358,347</u>
Total support services	<u>791,349</u>	<u>-</u>	<u>791,349</u>
Total expenses	<u>1,581,440</u>	<u>-</u>	<u>1,581,440</u>
CHANGE IN NET ASSETS	(345,848)	(790,164)	(1,136,012)
NET ASSETS, BEGINNING OF YEAR	<u>247,718</u>	<u>1,078,106</u>	<u>1,325,824</u>
NET ASSETS, END OF YEAR	<u><u>\$(98,130)</u></u>	<u><u>\$ 287,942</u></u>	<u><u>\$ 189,812</u></u>

The accompanying notes are an integral part of these financial statements.

WOMEN THRIVE WORLDWIDE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services			Supporting Services			Total Expenses
	Basic Education	Economic Opportunity and Trade	Violence Against Women and Girls	Total Program Services	General Administrative and Fundraising		
Accounting and audit	\$ 11,187	\$ 12,740	\$ 10,039	\$ 33,966	\$ 21,556	\$ 18,763	\$ 74,285
Consulting services	39,036	18,939	5,541	63,516	35,152	17,786	116,454
Depreciation and amortization	2,159	2,459	1,938	6,556	4,161	3,622	14,339
Grants and contributions	248	282	222	752	477	415	1,644
Information technology	7,434	8,466	6,672	22,572	14,324	12,469	49,365
Insurance	710	808	637	2,155	1,368	1,191	4,714
Interest expense	1,437	1,637	1,290	4,364	2,769	2,411	9,544
Translation services	5,660	60	47	5,767	101	88	5,956
Occupancy	15,385	17,522	13,807	46,714	29,646	25,806	102,166
Office expenses	9,575	10,897	8,587	29,059	18,438	16,344	63,841
Salaries, taxes, and benefits	140,232	159,704	125,848	425,784	270,209	235,208	931,201
Travel and meetings	81,167	27,121	2,093	110,381	10,366	2,974	123,721
Subtotal	314,230	260,635	176,721	751,586	408,567	337,077	1,497,230
Donated legal services	12,682	14,442	11,381	38,505	24,435	21,270	84,210
TOTALS	\$ 326,912	\$ 275,077	\$ 188,102	\$ 790,091	\$ 433,002	\$ 358,347	\$ 1,581,440

The accompanying notes are an integral part of these financial statements.

WOMEN THRIVE WORLDWIDE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$(1,136,012)
Adjustments to reconcile change in net assets to net change in cash from operating activities	
Depreciation and amortization	14,339
Loss on disposal of assets	10,997
Change in assets and liabilities:	
Contributions receivable	459,044
Other current assets	28,052
Deposits	27,655
Other current liabilities	(2,782)
Accrued vacation, benefits, and taxes	(2,655)
Deferred rent	<u>(50,265)</u>
Net change in cash from operating activities	\$(651,627)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(4,941)
Proceeds from sale of equipment	<u>11,400</u>
Net change in cash from investing activities	6,459

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payment on borrowings	(11,990)
Principal payments on capital leases	<u>(5,583)</u>
Net change in cash from financing activities	<u>(17,573)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS (662,741)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 842,130

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 179,389

SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:

Acquisition of capital lease \$ 25,207

The accompanying notes are an 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 partners with locally based organizations 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 of America. 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 three to five years for computer equipment, leased equipment, software, and furniture, and seven years for leasehold improvements. 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.

Below Market Interest Rate Loans

The interest-free recoverable grant payable and below-market-interest related party loan payable are recorded as liabilities on the accompanying statement of financial position at the present value of future net estimated principal payments. The Organization's borrowing rate of 4.25 percent has been used to approximate a market rate of interest. The difference between the fair value of loans at the market rate and the fair value of loans at the stated rate are recorded as restricted contributions and will be charged to interest expense over the life of the loans.

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)

Donated Services, Facilities, and Materials

The Organization recognizes contribution revenue at estimated fair value for donated services received if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise have to be purchased by the Organization.

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 2015.

Contributions receivable are charged to a loss account as they are deemed uncollectible. At December 31, 2015, no allowance for uncollectible accounts was considered necessary by management. The contributions and grants receivable as of December 31, 2015, were due as follows:

<u>Years Ended December 31,</u>	<u>Amount</u>
2016	\$ 94,532
2017 - 2020	40,000
Thereafter	5,588
Discount to present value	<u>(6,747)</u>
Total	<u>\$ 133,373</u>

Subsequent Events

The Organization has evaluated subsequent events through November 15, 2016, which is the date the financial statements were available to be issued.

NOTE 3 - BUSINESS CONDITIONS AND MANAGEMENT'S PLANS

Due to the loss of key support in 2015, the Organization was forced to downsize its operations and suffered significant losses. Should losses continue, there may not be sufficient assets to cover the losses. The Organization is seeking funding from new and current donors. Further, management has taken steps to cut program and supporting services and negotiate for extended payment terms with creditors. In 2016, the Organization downsized again. Also, the Organization has access to bank financing. Should enough funding not be secured, management has plans to make further cuts to program and supporting services to address the shortfall.

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CONCENTRATION OF CREDIT RISK

As of December 31, 2015, 74 percent of the Organization's contributions receivable was from two donors and 35 percent of contribution revenue for the year ended December 31, 2015, was from one foundation. In addition, the Organization maintains \$8,328 in assets in a money market fund that are not insured.

Management does not believe the Organization is exposed to any significant credit risk.

NOTE 5 - NOTES PAYABLE

In November 2012, the family foundation of a Board member made a loan to the Organization of \$43,865 for use as the security deposit for the Organization's prior office lease. The loan carries a stated interest rate of 1.75 percent, payable annually, and expires December 22, 2019. This below market rate loan is reported at fair value using the face value discounted at the Organization's borrowing rate of 4.25 percent. The difference between the fair value of the loan at the market rate and the fair value of the loan at its stated rate has been recorded as a restricted contribution. The fair value as of December 31, 2015 is \$40,799, including accrued interest of \$2,060. The loan principal matures in installments of \$29,243 and \$14,622 in 2017 and 2019, respectively.

During 2014, a \$100,000 interest-free recoverable grant loan was issued by Open Road Alliance to cover costs related to the Organization's Economic Opportunity initiative. This below market rate loan is reported at fair value using the face value discounted at the Organization's borrowing rate of 4.25 percent. The difference between the fair value of the loan at the market rate and the fair value of the loan at its stated rate is recorded as a restricted contribution. The fair value as of December 31, 2015 is \$91,844, including accrued interest of \$8,156. The loan matures in principal installments of \$25,000 per year through 2019.

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 \$19,593 for the year ended December 31, 2015. Plan contributions are included in salaries, taxes, and benefits in the accompanying statement of functional expenses.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2015:

Purpose restricted - Basic education program	\$	143,936
Time restricted		85,850
Purpose and time restricted - Economic opportunity and trade		8,156
Purpose and time restricted - Violence against women and girls		<u>50,000</u>
Total	\$	<u>287,942</u>

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 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, 2015.

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 the tax position will be sustained on examination by tax authorities. The Organization recorded no liability for uncertain income tax positions for any open tax years.

NOTE 9 - COMMITMENTS

Line of Credit

The Organization has a line of credit of up to \$200,000 that expires on April 13, 2017, and has an interest rate of 4.25 percent. As of December 31, 2015, there was no balance due under this line of credit.

Leases

During the year, the Organization signed a lease for new office space. The lease expires July 31, 2022, calls for a security deposit of \$24,442, rent abatements and escalations, and operating expenses not included in the base rent. Rent expense is included in occupancy in the accompanying statement of functional expenses.

Occupancy expense for the year ended December 31, 2015, consisted of the following:

Minimum lease payments	\$	147,879
Other occupancy		984
Change in deferred rent	(50,264)
Storage rentals and utilities		<u>3,567</u>
Total	\$	<u>102,166</u>

Future minimum payments for base rent under this lease are:

<u>Years Ended December 31,</u>	<u>Amount</u>
2016	\$ 82,084
2017	92,696
2018	103,787
2019	106,382
2020	109,538
Thereafter	<u>179,822</u>
Total	<u>\$ 674,309</u>

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - COMMITMENTS (continued)

Leases (continued)

In October 2015, the Organization signed a five-year lease agreement for a copier under a capital lease. The Organization has a second capital lease agreement for a copier ending in 2017. The second copier was sold in 2015, however; the related lease liability remains outstanding as of December 31, 2015. The asset and liabilities under these capital leases are recorded at the present value of the minimum lease payments discounted at the Organization's borrowing rate of 4.25 percent. The asset cost of \$25,207 is amortized over the term of the lease. Accumulated amortization as of December 31, 2015 is \$420. Amortization of the asset is included in depreciation and amortization expense in the accompanying statement of functional expenses.

The original future minimum lease payments are as follows:

<u>Years Ended December 31,</u>	<u>Amount</u>
2016	\$ 11,285
2017	11,285
2018	5,585
2019	5,585
2020	5,120
Less: interest	<u>(3,208)</u>
Total	<u>\$ 35,652</u>

NOTE 10 - 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.

Economic Opportunity and Trade

The Organization has made important contributions in this area including how the United States 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 of women and girls living in poverty over the next several decades.

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. The Organization has served as Co-Chair of the Coalition to Prevent and Respond to Gender-Based Violence Globally in order to help advance this through the International Violence Against Women Act. The Organization has also worked with partners to study and make recommendations on implementation of the United States government's strategy to comprehensively prevent and address gender-based violence globally, which was released in late 2012.

WOMEN THRIVE WORLDWIDE
NOTES TO FINANCIAL STATEMENTS

NOTE 11 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31, 2015:

Computer equipment and software	\$	88,232
Furniture		19,446
Leasehold improvements		17,241
Less: accumulated depreciation and amortization	(<u>81,825)</u>
Total	\$	<u><u>43,094</u></u>