

WOMEN THRIVE WORLDWIDE

DECEMBER 31, 2012

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in their entirety**

WOMEN THRIVE WORLDWIDE

DECEMBER 31, 2012

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT		2
EXHIBIT A	Statement of Financial Position December 31, 2012	3
EXHIBIT B	Statement of Activities For the Year Ended December 31, 2012	4
EXHIBIT C	Statement of Functional Expenses For the Year Ended December 31, 2012	5
EXHIBIT D	Statement of Cash Flows For the Year Ended December 31, 2012	6
NOTES TO FINANCIAL STATEMENTS		7-13



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, 2012, the related statements of activities, functional expenses, 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 accounting principles generally accepted 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 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ross, Langan & McKendree
L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

July 26, 2013

www.rlmcpa.com

WOMEN THRIVE WORLDWIDE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 894,105	
Contributions receivable, net - current	909,388	
Other current assets	<u>27,169</u>	
 Total current assets		 \$ 1,830,662

PROPERTY AND EQUIPMENT

Computer equipment and software	73,434	
Furniture	14,526	
Leasehold improvements	22,558	
Less: accumulated depreciation and amortization	<u>(58,944)</u>	
 Total property and equipment		 51,574

OTHER ASSETS

Deposits		43,865
Contributions receivable, net - noncurrent		<u>84,000</u>

TOTAL ASSETS

\$ 2,010,101

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 33,359	
Accrued vacation, benefits and taxes	22,897	
Deferred income	7,079	
Related party loan interest payable	96	
Capital lease obligation - current	<u>4,397</u>	
 Total current liabilities		 \$ 67,828

LONG-TERM LIABILITIES

Deferred rent		7,532
Related party loan payable - noncurrent		43,865
Capital lease obligation - noncurrent		<u>5,921</u>

TOTAL LIABILITIES

125,146

NET ASSETS

Unrestricted	77,239	
Temporarily restricted	<u>1,807,716</u>	

TOTAL NET ASSETS

1,884,955

TOTAL LIABILITIES AND NET ASSETS

\$ 2,010,101

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

WOMEN THRIVE WORLDWIDE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 138,126	\$ 2,076,227	\$ 2,214,353
Donated services, facilities and materials	272,538	-	272,538
Interest income	967	-	967
Other income	3,635	-	3,635
Net assets released from restrictions	<u>1,764,031</u>	<u>(1,764,031)</u>	<u>-</u>
Total support and revenue	<u>2,179,297</u>	<u>312,196</u>	<u>2,491,493</u>
EXPENSES			
Program services:			
Basic education	290,152	-	290,152
Hunger and food security	245,678	-	245,678
Effective global aid	381,174	-	381,174
Economic opportunity and trade	21,971	-	21,971
Lobbying	45,578	-	45,578
Violence against women and girls	<u>530,308</u>	<u>-</u>	<u>530,308</u>
Total program services	<u>1,514,861</u>	<u>-</u>	<u>1,514,861</u>
Support services:			
General and administrative	401,722	-	401,722
Fundraising	<u>241,930</u>	<u>-</u>	<u>241,930</u>
Total support services	<u>643,652</u>	<u>-</u>	<u>643,652</u>
Total expenses	<u>2,158,513</u>	<u>-</u>	<u>2,158,513</u>
CHANGE IN NET ASSETS	20,784	312,196	332,980
NET ASSETS, BEGINNING OF YEAR	<u>56,455</u>	<u>1,495,520</u>	<u>1,551,975</u>
NET ASSETS, END OF YEAR	<u>\$ 77,239</u>	<u>\$ 1,807,716</u>	<u>\$ 1,884,955</u>

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

WOMEN THRIVE WORLDWIDE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Program Services					Supporting Services		Total		
	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
Accounting and audit	\$ 6,792	\$ 5,546	\$ 10,141	\$ 638	\$ 1,277	\$ 12,300	\$ 36,694	\$ 11,637	\$ 5,186	\$ 53,517
Conferences and meetings	707	900	3,907	1,472	2	18,637	25,625	9,267	218	35,110
Consulting services	40,719	33,862	46,574	957	559	87,261	209,932	26,148	68,483	304,563
Depreciation and amortization	1,114	909	1,663	104	210	2,017	6,017	1,909	850	8,776
Grants and contributions	14,625	13,659	125	-	-	566	28,975	244	263	29,482
Information technology	6,915	7,980	12,054	1,546	1,300	14,856	44,651	11,848	10,334	67,033
Insurance	1,322	555	968	132	246	1,142	4,365	1,300	816	6,481
Interest expense	481	382	819	33	125	999	2,839	1,057	392	4,288
Occupancy	14,671	12,013	21,880	1,395	2,759	26,551	79,269	27,273	11,253	117,795
Office expenses	10,397	8,134	14,390	2,154	3,104	19,725	57,904	23,476	13,786	95,166
Salaries, taxes, and benefits	140,802	118,298	215,434	13,272	27,263	260,410	775,479	247,925	107,781	1,131,185
Travel	7,001	5,178	5,075	268	254	12,715	30,491	1,374	6,307	38,172
Subtotal	245,546	207,416	333,030	21,971	37,099	457,179	1,302,241	363,458	225,869	1,891,568
Donated services, facilities, and materials	44,606	38,262	48,144	-	8,479	73,129	212,620	38,264	16,061	266,945
TOTALS	\$ 290,152	\$ 245,678	\$ 381,174	\$ 21,971	\$ 45,578	\$ 530,308	\$ 1,514,861	\$ 401,722	\$ 241,930	\$ 2,158,513

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

WOMEN THRIVE WORLDWIDE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets		\$ 332,980
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	\$ 8,776	
Interest accrued	157	
Donation of property and equipment	(5,593)	
Loss on disposal of assets	1,905	
Decrease in contributions receivable	181,354	
Increase in other current assets	(5,569)	
Increase in deposits	(43,865)	
Decrease in accounts payable	(44,104)	
Increase in accrued vacation, benefits and taxes	1,441	
Increase in deferred income	7,079	
Increase in deferred rent	<u>7,532</u>	
 Total adjustments		 <u>109,113</u>
 Net cash provided by operating activities		 442,093
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment		(29,409)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on related party loan	43,865	
Termination of capital lease	(1,484)	
Principal payments on capital leases	<u>(427)</u>	
 Net cash provided by financing activities		 <u>41,954</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS		 454,638
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		 <u>439,467</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR		 <u>\$ 894,105</u>
 <u>SUPPLEMENTAL CASH FLOW INFORMATION:</u>		
Cash paid during the year for interest		<u>\$ 4,131</u>
 <u>SUPPLEMENTAL NON CASH FINANCING ACTIVITIES:</u>		
Acquisition of capital lease		<u>\$ 10,318</u>

See independent auditor's report. 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'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 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, software and furniture, and the life of the lease (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.

Deferred Income

In 2012, the Organization entered into a contract to author a book. The Organization received an advance net of fees of \$7,079 that is recorded in deferred income as of December 31, 2012 in the accompanying statement of financial position. The Organization recognizes income from this contract when it is no longer refundable.

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.

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

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.

Donations of materials, including donated property and equipment, are recorded as contributions at their estimated fair value at the date of donation. Donations of the use of facilities are recorded as contributions at the estimated fair value of the space.

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 2012.

Contributions receivable are charged to bad debt expense as they are deemed uncollectible. At December 31, 2012, no allowance for uncollectible accounts was considered necessary by management. The contributions and grants receivable as of December 31, 2012 were due as follows:

<u>Years ended December 31,</u>	<u>Amount</u>
2013	\$ 909,388
2014 - 2016	88,000
Discount to present value	<u>(4,000)</u>
Total	<u>\$ 993,388</u>

Subsequent Events

The Organization has evaluated subsequent events through July 26, 2013, 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, 2012, the Organization had \$658,413 on deposit in excess of federally insured limits.

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

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CONCENTRATION OF CREDIT RISK (continued)

As of December 31, 2012, ninety-one percent of the Organization's contributions receivable were from three foundations.

Ninety-four percent of contributions revenue for the year ended December 31, 2012 was from six foundations and individuals.

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

NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2012:

Purpose restricted:	
Effective global aid program	\$ 76,274
Basic education program	413,536
Economic opportunity and trade program	107,723
Book project	<u>191,795</u>
Total purpose restricted	789,328
Pledges receivable - time restricted	893,388
Purpose and time restricted:	
Violence against women and girls program	<u>125,000</u>
Total	<u>\$ 1,807,716</u>

NOTE 5 - RELATED PARTY LOAN 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 new office lease. The loan carries a 1.75 percent interest rate, payable annually and expires December 22, 2019. The balance due at December 31, 2012 was \$43,865. Interest expense of \$96 was recorded in the year ended December 31, 2012. Future minimum payments under the loan are as follows:

<u>Years ended December 31,</u>	<u>Amount</u>
2015	\$ 14,622
2017	14,622
2019	<u>14,621</u>
Total	<u>\$ 43,865</u>

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

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - COMMITMENTS

Leases

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, 2012. In 2012, the Organization entered into an agreement for a long-term lease for new office space that expires December 14, 2019. 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>
2013	\$ 131,596
2014	165,262
2015	185,244
2016	190,338
2017	195,573
Thereafter	<u>407,428</u>
Total	<u>\$ 1,275,441</u>

Occupancy expense for the year ended December 31, 2012 consisted of the following:

Minimum lease payments	\$ 108,123
Deferred rent	7,532
Storage rentals	<u>2,140</u>
Total	<u>\$ 117,795</u>

During 2009, the Organization entered into an interest-free five-year lease agreement for new copy equipment, with imputed interest of 4.25 percent. In 2012, this lease was terminated and the equipment was replaced with new equipment under a lease with similar terms. A capital leased asset of \$10,257 has been recorded in the statement of financial position as of December 31, 2012, with no accumulated amortization. Amortization expense is included in depreciation and amortization expense in the accompanying statement of functional expenses. The corresponding liability was \$10,318 as of December 31, 2012. 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>
2013	\$ 5,700	\$ 1,303	\$ 4,397
2014	5,700	3,033	2,667
2015	5,700	4,082	1,618
2016	5,700	4,718	982
2017	<u>5,700</u>	<u>5,046</u>	<u>654</u>
Total	<u>\$ 28,500</u>	<u>\$ 18,182</u>	<u>\$ 10,318</u>

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

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - COMMITMENTS (continued)

Line of Credit

The Organization has a line of credit of up to \$200,000 that expires on April 13, 2013 and has an interest rate of 4.25 percent. As of December 31, 2012, there was no balance due under this line of credit.

NOTE 7 - 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, 2012.

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 8 - DONATED SERVICES, FACILITIES, AND MATERIALS

The Organization received the following in-kind contributions in the year ended December 31, 2012:

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Social networking and internet	\$ 98,867	\$ -	\$ -	\$ 98,867
Event items	2,976	-	-	2,976
Travel	1,567	-	-	1,567
Legal services	109,210	37,101	16,061	162,372
Facilities and meeting costs	-	1,163	-	1,163
	<u>\$ 212,620</u>	<u>\$ 38,264</u>	<u>\$ 16,061</u>	266,945
Total expenses				266,945
Donated office furniture				<u>5,593</u>
Total				<u>\$ 272,538</u>

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

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 9 - 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 has included smallholder women farmers' needs in United States government international agricultural policy and the Organization's next step is to monitor implementation of these significant reforms in the field.

Effective Global Aid

The Organization is working to make the United States foreign assistance and policies more efficient and effective, address gender inequality and foster women and girl's empowerment by meaningfully integrating gender and incorporating participatory processes. More recently, the Organization celebrated the release of the United States Agency for International Development's *Policy for Gender Equality and Female Empowerment*, which makes advancing women and girls central to United States foreign assistance. The Organization's next step is to ensure 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 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 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. The Organization has worked closely with the United States government to create the first-ever multi-year United States government strategy to comprehensively prevent and address gender-based violence globally, which was released in late 2012. The Organization is working to ensure the strategy reaches millions of women and girls globally on the ground.

WOMEN THRIVE WORLDWIDE

NOTES TO FINANCIAL STATEMENTS

NOTE 10 - 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 \$25,518 for the year ended December 31, 2012. Plan contributions are included in salaries, taxes and benefits in the accompanying statement of functional expenses.