

WOMEN'S EDGE COALITION

DECEMBER 31, 2006

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WOMEN'S EDGE COALITION
FOR THE YEAR ENDED DECEMBER 31, 2006
With Summarized Financial Information
For the Year Ended December 31, 2005

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Women's Edge Coalition
Washington, DC

We have audited the accompanying statements of financial position of Women's Edge Coalition as of December 31, 2006, 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. The prior year summarized comparative information has been derived from the Organization's 2005 financial statements, that were audited by other auditors whose report dated May 4, 2006, expressed an unqualified opinion on those statements.

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's Edge Coalition as of December 31, 2006, 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.

Ross, Langan & McKendree
L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

November 9, 2007

WOMEN'S EDGE COALITION

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006

With Summarized Financial Information as of December 31, 2005

	ASSETS		December 31,	
	Unrestricted	Temporarily Restricted	2006	2005
CURRENT ASSETS				
Cash and cash equivalents	\$ -	\$ 157,200	\$ 157,200	\$ 184,827
Contributions receivable	33,038	655,000	688,038	204,040
Prepaid expenses	<u>26,285</u>	<u>-</u>	<u>26,285</u>	<u>6,505</u>
Total current assets	.....<u>59,323</u>	.....<u>812,200</u>	.....<u>871,523</u>	.....<u>395,372</u>
PROPERTY AND EQUIPMENT				
Computer equipment	28,428	-	28,428	21,918
Furniture	8,428	-	8,428	6,944
Less accumulated depreciation	<u>(19,827)</u>	<u>-</u>	<u>(19,827)</u>	<u>(11,557)</u>
Total property and equipment	<u>17,029</u>	<u>-</u>	<u>17,029</u>	<u>17,305</u>
TOTAL ASSETS	<u>\$ 76,352</u>	<u>\$ 812,200</u>	<u>\$ 888,552</u>	<u>\$ 412,677</u>
	LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES				
Accounts payable	\$ 28,799	\$ -	\$ 28,799	\$ 51,493
Accrued leave	13,844	-	13,844	15,713
Inter-fund liability	151,800	(151,800)	-	-
Capital lease obligation - short term	<u>7,868</u>	<u>-</u>	<u>7,868</u>	<u>13,910</u>
Total current liabilities	202,311	(151,800)	50,511	81,116
LONG TERM LIABILITIES				
Capital lease obligation - net of current portion	<u>1,238</u>	<u>-</u>	<u>1,238</u>	<u>-</u>
TOTAL LIABILITIES	203,549	(151,800)	51,749	81,116
NET ASSETS	<u>(127,197)</u>	<u>964,000</u>	<u>836,803</u>	<u>331,561</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 76,352</u>	<u>\$ 812,200</u>	<u>\$ 888,552</u>	<u>\$ 412,677</u>

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

WOMEN'S EDGE COALITION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006
With Summarized Financial Information For
the Year Ended December 31, 2005

	Unrestricted	Temporarily Restricted	Totals	
			2006	2005
REVENUE				
Contributions	\$ 577,866	\$ 1,065,000	\$ 1,642,866	\$ 532,343
In-kind contributions	5,240	-	5,240	1,904
Event income	1,500	-	1,500	35,167
Interest income	4,048	-	4,048	5,555
Membership	-	-	-	9,660
Other income	689	-	689	10,867
Honoraria	3,190	-	3,190	3,593
Net assets released from restrictions	<u>314,401</u>	<u>(314,401)</u>	<u>-</u>	<u>-</u>
Total revenue	.....906,934	.....750,599	.....1,657,533	.....599,089
EXPENSES				
Program services:				
Outreach	138,275	-	138,275	145,660
Trade	194,836	-	194,836	108,936
Communications	193,972	-	193,972	160,374
Governance	38,211	-	38,211	38,109
Development	242,208	-	242,208	-
International assistance	-	-	-	273,910
General Lobbying	27,145	-	27,145	-
Grassroots Lobbying	4,504	-	4,504	-
Public policy	-	-	-	15,869
Special projects	<u>166,111</u>	<u>-</u>	<u>166,111</u>	<u>-</u>
Total program services	.....1,005,262	.....-	.....1,005,262	.....742,858
Support services:				
General and administrative	79,587	-	79,587	77,068
Fundraising	<u>67,442</u>	<u>-</u>	<u>67,442</u>	<u>111,234</u>
Total expenses	<u>1,152,291</u>	<u>-</u>	<u>1,152,291</u>	<u>931,160</u>
CHANGE IN NET ASSETS	(245,357)	750,599	505,242	(332,071)
NET ASSETS, BEGINNING OF YEAR	<u>118,160</u>	<u>213,401</u>	<u>331,561</u>	<u>663,632</u>
NET ASSETS, END OF YEAR	<u>\$(127,197)</u>	<u>\$ 964,000</u>	<u>\$ 836,803</u>	<u>\$ 331,561</u>

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

WOMEN'S EDGE COALITION

STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2006
 With Summarized Financial Information For
 the Year Ended December 31, 2005

Program Services

	<u>Outreach</u>	<u>Trade</u>	<u>Communications</u>	<u>Governance</u>	<u>Development</u>	<u>General Lobbying</u>
Accounting and audit	\$ 4,181	\$ 5,659	\$ 5,671	\$ 371	\$ 7,452	\$ 728
Advertising and promotion	75	75	3,724	-	25	-
Bank charges	59	53	59	53	140	53
Conference fees	1,010	725	540	-	480	-
Computer supplies	4,771	2,960	5,423	376	2,604	379
Consulting services	1,941	19,948	13,187	5,757	12,901	1,445
Depreciation	1,167	1,579	1,583	103	2,080	203
Dues	960	505	580	-	1,855	-
Equipment rental	83	223	251	34	133	33
Event space rental	40	30	30	6,783	30	500
Food and beverage	665	1,666	851	1,062	2,433	50
Gifts	189	51	141	63	122	-
Grants and contributions	2,063	-	-	-	2,063	200
Group insurance	467	467	467	2,617	492	368
Interest expense	664	899	901	59	1,184	116
Miscellaneous	254	236	365	-	379	121
Occupancy	8,245	11,159	11,183	731	14,694	1,435
Payroll fees	30	30	47	-	47	-
Postage and delivery	431	186	223	196	227	107
Printing and copying	2,401	1,870	5,962	870	2,145	1,901
Publications and subscriptions	162	849	1,248	55	1,016	1,206
Repairs and maintenance	557	582	829	-	711	-
Salaries, taxes, & benefits	99,868	135,170	135,457	8,853	177,989	17,381
Staff development	1,053	978	1,520	-	980	-
Supplies	499	543	450	323	504	143
Telephone, email, fax	534	882	751	392	1,776	125
Temporary personnel	435	160	-	-	100	-
Travel	<u>5,471</u>	<u>7,351</u>	<u>2,529</u>	<u>9,513</u>	<u>7,646</u>	<u>651</u>
TOTALS	<u>\$ 138,275</u>	<u>\$ 194,836</u>	<u>\$ 193,972</u>	<u>\$ 38,211</u>	<u>\$ 242,208</u>	<u>\$ 27,145</u>

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

		Supporting Services						
Grassroots Lobbying	Go For Women Campaign	Total Program Expenses	General and Administrative	Fundraising	Totals			
					2006	2005		
\$ 147	\$ 2,075	\$ 26,284	\$ 2,404	\$ 946	\$ 29,634	\$ 14,077		
-	60	3,959	525	995	5,479	2,495		
-	-	417	2,804	53	3,274	140		
-	275	3,030	-	744	3,774	4,631		
100	1,142	17,755	1,104	4,487	23,346	-		
-	70,939	126,118	2,788	21,585	150,491	161,784		
41	579	7,335	671	264	8,270	3,471		
-	475	4,375	175	200	4,750	-		
-	-	757	246	34	1,037	5,051		
-	637	8,050	30	50	8,130	1,814		
-	226	6,953	514	459	7,926	20,987		
-	1,203	1,769	219	1,164	3,152	1,432		
-	-	4,326	-	-	4,326	17,363		
-	-	4,878	285	467	5,630	4,580		
23	330	4,176	382	150	4,708	-		
-	685	2,040	2	-	2,042	7,854		
289	4,091	51,827	4,740	1,865	58,432	58,433		
-	-	154	1,529	-	1,683	1,892		
-	267	1,637	355	1,116	3,108	5,354		
-	12,017	27,166	1,083	3,054	31,303	10,800		
-	91	4,627	62	2,446	7,135	18,522		
-	-	2,679	75	144	2,898	2,031		
3,506	49,560	627,784	57,410	22,596	707,790	494,376		
-	-	4,531	186	1,560	6,277	4,108		
-	26	2,488	279	552	3,319	25,366		
7	1,448	5,915	177	142	6,234	7,385		
-	-	695	700	-	1,395	309		
391	19,985	53,537	842	2,369	56,748	56,905		
<u>\$ 4,504</u>	<u>\$ 166,111</u>	<u>\$ 1,005,262</u>	<u>\$ 79,587</u>	<u>\$ 67,442</u>	<u>\$ 1,152,291</u>	<u>\$ 931,160</u>		

WOMEN'S EDGE COALITION
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2006
 With Comparative Information for
 Year Ended December 31, 2005

	December 31,	
	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$.....505,242	\$(.....332,071)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	8,270	3,471
(Increase) decrease in contributions receivable	(483,998)	149,143
(Increase) decrease in prepaid expenses	(19,780)	4,066
Increase (decrease) in accounts payable	(22,695)	19,508
Increase (decrease) in accrued vacation	<u>(1,867)</u>	<u>6,162</u>
Total adjustments	<u>(520,070)</u>	<u>182,350</u>
Net cash provided by (used in) operating activities	<u>..(.....14,828)</u>	<u>..(.....149,721)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,054)	(815)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on notes payable	<u>(10,745)</u>	<u>(4,113)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(27,627)	(154,649)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>184,827</u>	<u>339,476</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 157,200</u>	<u>\$ 184,827</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the year for interest	<u>\$ 4,710</u>
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SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

In 2006, Women's Edge Coalition obtained computer equipment totaling \$5,940 with a capital lease.

WOMEN'S EDGE COALITION
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Women's Edge Coalition (the Organization) was formed in 1998 to ensure that U.S international aid and trade programs work for women. Women's Edge Coalition's work focuses on informing and mobilizing Americans to advocate for women around the globe; educating policy-makers and the media about the importance of investing in women; linking like-minded people and organizations to take a joint action on behalf of women and girls; and giving women a say in political decisions by providing information and access to the decision-making process.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Furniture and Equipment

Furniture and equipment are recorded at historical cost or estimated fair market value if donated. Depreciation 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 debt instruments purchased with maturities of three months or less to be cash equivalents.

In-kind Contributions

In-kind contributions consist of an interest free loan. The interest expense has been allocated in the accompanying financial statements at the estimated borrowing rate to program and support services benefitted.

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 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.

WOMEN'S EDGE COALITION
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Uses of Estimates

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

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 programs and supporting services benefited.

Comparative Financial 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 U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2005, from which the summarized information was derived.

Advertising

Advertising costs are expensed as incurred.

NOTE 3 - INCOME TAXES

The Organization is a tax exempt publicly supported charitable organization under Sections 501(c)(3) and 170(b)(i)(A)(vi) of the Internal Revenue Code (the Code). Contributions to the Organization are deductible under Section 170(b)(i)(A) of the Code and the Organization has been classified as other than a private foundation under Section 509(a)(2). Certain revenue of tax exempt organizations may be taxable as unrelated business income. The Organization had no unrelated business taxable income for the year ended December 31, 2006.

NOTE 4 - 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, 2006, the Organization had \$185,627 on deposit in excess of federally insured limits.

As of December 31, 2006, eighty-five percent of the Organization's contributions receivable were from three donors. During 2006, approximately sixty-five percent of revenue was from three donors.

WOMEN'S EDGE COALITION
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PROGRAM SERVICES

The program services of the Organization consist of the following:

- **Outreach** - Gathers input from a broad array of women's organizations in developing countries and ensures that these views are integrated into the Organization's policy work. Also leads the development of partnerships with organizations in other countries and provides capacity building on advocacy and U.S. policy to ensure that locally-based women's organizations can effectively influence U.S. policies that affect their countries.
- **Trade** - Create economic opportunities through U.S. trade policies for women and girls living in poverty in developing countries. This program also supports policies and programs that address the unintended negative side effects of trade on poor communities abroad.
- **Communications** - All public communications from the organization including the website and publications, messaging, public relations and media outreach.
- **Governance** - Activities of the board of directors and staff support for the board of directors.
- **Development** - Works with local women's organizations in developing countries to make sure that women's needs are being heard. Also, work with Congress and other U.S. institutions to shape policies that respond to these needs and empower women worldwide to lift their families, communities, and countries out of poverty.
- **General Lobbying** - Activities intended to directly influence legislation.
- **Grassroots Lobbying** - Encourage the general public to communicate to members of Congress a specific view on a specific piece of legislation.
- **Go for Women Campaign** - Explores the links between women's economic opportunities and corporate social responsibility in developing countries.

NOTE 6 -RETIREMENT PLAN

In January, 2001, Women's Edge Coalition established a 403(b) retirement plan for all employees. Women's Edge Coalition may make discretionary contributions to the plan for the year ended December 31, 2006. Total contributions to the plan were \$14,853 for 2006 and \$8,171 for 2005.

NOTE 7 -TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

Outreach	\$ 309,000
Pledges receivable - time restriction	<u>655,000</u>
	<u>\$ 964,000</u>

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

WOMEN'S EDGE COALITION
NOTES TO FINANCIAL STATEMENTS

NOTE 8 - LEASE COMMITMENTS

Operating Lease

In January 2003, Women's Edge Coalition entered into a one-year lease agreement for office space. The lease has been extended annually. Rent expense for 2006 was \$58,432.

During 2007, Women's Edge Coalition entered into a twelve-month lease agreement for office space commencing January 1, 2007, calling for monthly rent payment of \$8,075. Future minimum lease payments are \$96,900 for 2007.

Capital lease

In 2005, Women's Edge Coalition entered into an interest free two-year lease agreement for computer equipment, with interest imputed at seven percent. The Organization also entered into another interest free two-year lease agreement for computer equipment in 2006, with imputed interest of seven percent. Capital leased assets of \$23,963 and \$18,023 have been recorded in the statement of financial position as of December 31, 2006 and 2005, respectively, with accumulated amortization of \$9,330 and \$2,003 respectively. Amortization expense is included in depreciation expense. Future capital lease commitments are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2007	\$ 7,868
2008	<u>1,237</u>
Total	<u>\$ 9,105</u>

NOTE 9 - INTER-FUND LIABILITY

During 2006, the Organization used temporarily restricted funds for general operating expenses. As of December 31, 2006 the inter-fund liability is \$151,800.