



Financial Statements and Report of
Independent Certified Public Accountants

International Women's Media Foundation

June 30, 2012 and 2011

International Women's Media Foundation

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Report of Independent Certified Public Accountants

Board of Trustees
International Women's Media Foundation

We have audited the accompanying statements of financial position of the International Women's Media Foundation (the Foundation) as of June 30, 2012 and 2011, and the related statements of activities and changes in net assets and cash flow for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are 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 Foundation's internal control over financing reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 the International Women's Media Foundation, as of June 30, 2012 and 2011 and the changes in net assets and its cash flow for the years then ended, in conformity with accounting principles generally accepted in the United States of America.



McLean, Virginia
November 26, 2012

International Women's Media Foundation

Statements of Financial Position

<i>June 30,</i>	2012	2011
Assets		
Cash and cash equivalents	\$ 52,645	\$ 103,423
Investments	925,534	1,282,033
Promises to give	251,500	—
Grants receivable	236,504	—
Prepaid expenses and other assets	99,487	108,036
Property and equipment, net	97,502	143,232
	<u>1,663,172</u>	<u>1,636,724</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 40,533	\$ 103,475
Deferred rent	129,568	121,273
	<u>170,101</u>	<u>224,748</u>
Total Liabilities		
	<u>170,101</u>	<u>224,748</u>
Net Assets		
Unrestricted	509,207	617,046
Temporarily restricted	589,438	400,504
Permanently restricted	394,426	394,426
	<u>1,493,071</u>	<u>1,411,976</u>
Total Net Assets		
	<u>1,493,071</u>	<u>1,411,976</u>
Total Liabilities and Net Assets	\$ 1,663,172	\$ 1,636,724

The accompanying notes are an integral part of these statements.

International Women's Media Foundation

Statements of Activities and Changes in Net Assets

<i>Year ended June 30, 2012</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Contributions	\$ 1,083,344	\$ 35,075	\$ —	\$ 1,118,419
Grant revenue	1,000	546,504	—	547,504
Donated services	217,593	—	—	217,593
Investment income	14,935	9,406	—	24,341
Other Income	12,674	—	—	12,674
Net assets released from restrictions	402,051	(402,051)	—	—
Total Support and Revenue	1,731,597	188,934	—	1,920,531
Expenses				
Program services	1,321,970	—	—	1,321,970
Fundraising	73,653	—	—	73,653
General and administrative	443,813	—	—	443,813
Total Expenses	1,839,436	—	—	1,839,436
Change in Net Assets	(107,839)	188,934	—	81,095
Net Assets, beginning of year	617,046	400,504	394,426	1,411,976
Net Assets, end of year	\$ 509,207	\$ 589,438	\$ 394,426	\$ 1,493,071

The accompanying notes are an integral part of this statement.

International Women's Media Foundation

Statements of Activities and Changes in Net Assets

<i>Year ended June 30, 2011</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Contributions	\$ 1,265,581	\$ 315,294	\$ —	\$ 1,580,875
Grant revenue	276,069	—	—	276,069
Donated services	170,010	—	—	170,010
Investment income	8,390	16,693	—	25,083
Net assets released from restrictions	1,115,153	(1,115,153)	—	—
Total Support and Revenue	2,835,203	(783,166)	—	2,052,037
Expenses				
Program services	2,518,717	—	—	2,518,717
Fundraising	149,491	—	—	149,491
General and administrative	335,522	—	—	335,522
Total Expenses	3,003,730	—	—	3,003,730
Change in Net Assets	(168,527)	(783,166)	—	(951,693)
Net Assets, beginning of year	785,573	1,183,670	394,426	2,363,669
Net Assets, end of year	\$ 617,046	\$ 400,504	\$ 394,426	\$ 1,411,976

The accompanying notes are an integral part of this statement.

International Women's Media Foundation

Statements of Cash Flow

<i>Year ended June 30,</i>	2012	2011
Cash Flows from Operating Activities		
Change in net assets	\$ 81,095	\$ (951,693)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	45,730	101,761
Unrealized and realized gains on investments	(11,287)	(4,844)
Changes in assets and liabilities:		
(Increase) decrease in:		
Promises to give	(251,500)	110,000
Grants receivable	(236,504)	—
Prepaid expenses and other assets	8,549	(6,579)
Accounts payable and accrued expenses	(62,942)	14,782
Deferred rent	8,295	1,579
Net Cash Used in Operating Activities	(418,564)	(734,994)
Cash Flows from Investing Activities		
Purchase of investments	(1,044,447)	(1,591,145)
Proceeds from sale of investments	1,412,233	2,458,115
Acquisition of property and equipment	—	(61,000)
Net Cash Provided by Investing Activities	367,786	805,970
Net (Decrease) Increase in Cash and Cash Equivalents	(50,778)	70,976
Cash and Cash Equivalents, beginning of year	103,423	32,447
Cash and Cash Equivalents, end of year	\$ 52,645	\$ 103,423

The accompanying notes are an integral part of these statements.

International Women's Media Foundation

Notes to Financial Statements

June 30, 2012 and 2011

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

International Women's Media Foundation (the Foundation) was established in 1990. The Foundation is a private not-for-profit organization dedicated to enhancing the role of the women in the media world-wide through education and training and promoting freedom of the press.

A summary of the Foundation's significant programs are as follows:

Courage – represents educational programs related to the struggle for international free media.

Research and Training – represents programs related to training and networking international and domestic women journalists.

Networking – represents programs related to engaging the Foundation's network through its website, newsletters, outreach, and other project research and development.

Fundraising expenses – represent the costs associated with planning and organizing fundraising efforts.

General and administrative – costs relate to the overall management and operation of the Foundation. A summary of the Foundation's significant accounting policies follows:

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby, support and revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, *Financial Statements of Not-for-Profit Organizations*. The Foundation 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.

Cash and Cash Equivalents

The Foundation considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents except those held in brokerage accounts.

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES— Continued

Promises to Give

Unconditional promises to give are recognized as revenue or gains in the period acknowledged. Conditional promises to give are only recognized when the conditions of written acknowledgement from the donor are substantially met.

Unconditional promises to give are carried at fair value less an estimate made for doubtful promises based on a review of all outstanding promises on a monthly basis. Management determines the allowance for doubtful promises by using the historical experience applied to an aging of promises. Promises are written off when deemed uncollectible. The Foundation had outstanding pledges receivable of \$251,500 and \$0 as of June 30, 2012 and 2011, respectively.

Receivables

Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on an annual basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The provision for doubtful accounts is based on management's evaluation of the collectability of receivables. Management believes that all receivables are fully collectible and no provision for doubtful accounts is necessary.

Investments

Investments consist of cash and money market funds held in brokerage account and certificates of deposit. Cash and money market funds are carried at amortized cost. Certificates of deposit meeting the definition of a security are carried at fair value. Fair value is measured using quotes available for similar assets in inactive markets.

Property and Equipment

The Foundation capitalizes all property and equipment purchased with a cost of \$1,000 or more. Property and equipment are recorded at cost and depreciated on the straight-line basis over estimated lives of three to eleven years. Leasehold improvements are amortized over the shorter of the expected useful life of the improvements or the lease term.

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES— Continued

Fair Value

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Foundation has evaluated its certificates of deposit and have classified them within Level 2 of the fair value hierarchy.

Deferred Rent

The Foundation has a lease agreement for rental space in Washington D.C. Under the terms of the lease agreement, the Foundation received a landlord improvement allowance for leasehold improvements. The benefit that the Foundation received is being allocated on a straight-line basis over the term of the lease as an offset against each period's occupancy expenditures. The difference between rent expense recorded and the amount paid is recorded as "deferred rent" in the accompanying Statement of Financial Position.

Donated Services

The Foundation receives contributions of services from businesses, primarily legal and advertising, toward the fulfillment of program objectives. Those services, which are objectively measurable, have been included in both revenue and related functional expense categories.

Advertising Costs

Advertising costs are expensed as incurred. The Foundation recognized \$168,146 and \$137,415 in advertising costs during the years ended June 30, 2012 and 2011.

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES— Continued

Net Assets

The resources of the Foundation are classified within classes of net assets based on the existence or absence of donor-imposed restrictions. The net assets of the Foundation are reported in the financial statements as follows:

Unrestricted: Net assets that are not subject to donor-imposed restrictions and are available for general use by the Foundation.

Temporarily restricted: Net assets subject to donor imposed restrictions that may be or will be met either by actions of the Foundation or by the passage of time.

Permanently restricted: This classification includes contributions that the donor has indicated must be preserved and remain intact. The interest and capital gains from these investments are temporarily restricted to be used in accordance with the donor's instructions.

Support and Revenue

Event revenue represents receipts from the Courage in Journalism events and is available for general Foundation purposes. Contributions are reported as increases in either unrestricted or temporarily restricted net assets in accordance with their underlying terms.

Expenses are reported as decreases in unrestricted net assets. Temporarily restricted assets are reclassified to unrestricted assets as the related program costs are incurred or the temporary restrictions expire.

Income Taxes

The Foundation is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Unrelated business income that is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Foundation had no net unrelated business income for the years ended June 30, 2012 and 2011.

The Foundation has adopted the accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this policy, the Foundation may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position would be sustained on examination by taxing authorities, based on the technical merits of the position. Management has evaluated the Foundation's tax positions and has concluded that the Foundation has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance. With few exceptions, the Foundation is no longer subject to income tax examinations for the U.S. federal, state or local tax authorities for years before 2008.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE A—NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES— Continued

Reclassifications

Certain prior year amounts have been reclassified to conform with current year financial statement presentation.

Subsequent Events

The Foundation evaluated subsequent events through November 26, 2012, which is the date the financial statements were available to be issued.

NOTE B—INVESTMENTS

Investments consist of the following at June 30:

	2012	2011
Cash equivalents (cash and money market)	\$ 521,702	\$ 841,790
Certificates of deposit	403,832	440,243
	<u>\$ 925,534</u>	<u>\$ 1,282,033</u>

Investment income for the years ended June 30, 2012 and 2011, consists of the following:

	2012	2011
Interest and dividends	\$ 13,054	\$ 20,239
Unrealized and realized gains, net	11,287	4,844
	<u>\$ 24,341</u>	<u>\$ 25,083</u>

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE C—PROPERTY AND EQUIPMENT

Property and equipment, and accumulated depreciation at June 30, 2012 and 2011, consist of the following:

	2012	2011
Website development	\$ 240,816	\$ 240,816
Leasehold improvements	121,686	121,686
Office furniture and equipment	108,885	108,885
Software and computers	48,116	48,116
	519,503	519,503
Less accumulated depreciation	(422,001)	(376,271)
	\$ 97,502	\$ 143,232

Depreciation expense for the years ended June 30, 2012 and 2011, was \$45,730 and \$101,761.

NOTE D—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets include donor-restricted and other funds, which are only available for program activities, or supporting services designated for future years. Temporarily restricted net assets were released from restrictions during the years ended June 30, 2012 and 2011, due to the time restriction ending or the purpose restriction being accomplished.

Temporarily restricted net assets of the Foundation at June 30, 2012 and 2011, are as follows:

	June 30, 2011	Additions	Released	June 30, 2012
Time restricted – promises to give	\$ —	\$ —	\$ —	\$ —
Purpose restricted:				
Research and training	400,504	590,985	402,051	589,438
	\$ 400,504	\$ 590,985	\$ 402,051	\$ 589,438

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE D—TEMPORARILY RESTRICTED NET ASSETS—Continued

Temporarily restricted net assets of the Foundation at June 30, 2011, are as follows:

	June 30, 2010	Additions	Released	June 30, 2011
Time restricted – promises to give	\$ 110,000	\$ —	\$ 110,000	\$ —
Purpose restricted:				
Research and training	1,073,670	331,987	1,005,153	400,504
	<u>\$ 1,183,670</u>	<u>\$ 331,987</u>	<u>\$ 1,115,153</u>	<u>\$ 400,504</u>

NOTE E—PERMANENTLY RESTRICTED NET ASSETS

Interpretation of Relevant Law

The Foundation has interpreted the District of Columbia Uniform Prudent Management of Institutional Funds Act of 2007 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Return Objectives and Risk Parameters

The Foundation's objectives are to earn a respectable, long-term, risk-adjusted total rate of return to support operations. The Foundation recognizes and accepts that pursuing such a goal involves risk and potential volatility. The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE E—PERMANENTLY RESTRICTED NET ASSETS—Continued

Spending Policy

Investment income earned on the permanently restricted net assets is purpose restricted for awards expenses. Any earnings are fully disbursed out to award recipients not to exceed \$5,000 in any given year. If the permanently restricted funds do not earn \$5,000 in a given year, awards are disbursed to the extent of income earned.

Permanently restricted net assets represent endowment funds that are not available for use by the Foundation. The earnings on the endowment funds are temporarily restricted for a specific program specified by the donor. Earnings of up to \$20,000 annually are temporarily restricted for awards.

The following illustrates endowment net asset composition by type of fund and the changes in endowment net assets for the year ended June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ —	\$ —	\$ 394,426	\$ 394,426
Total funds	\$ —	\$ —	\$ 394,426	\$ 394,426
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ —	\$ —	\$ 394,426	\$ 394,426
Investment return	—	9,406	—	9,406
Amounts appropriated for expenditure	—	(9,406)	—	(9,406)
Endowment net assets, end of year	\$ —	\$ —	\$ 394,426	\$ 394,426

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE E—PERMANENTLY RESTRICTED NET ASSETS—Continued

Spending Policy—Continued

The following illustrates endowment net asset composition by type of fund and the changes in endowment net assets for the year ended June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ —	\$ —	\$ 394,426	\$ 394,426
Total funds	\$ —	\$ —	\$ 394,426	\$ 394,426
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ —	\$ —	\$ 394,426	\$ 394,426
Investment return	—	16,693	—	16,693
Amounts appropriated for expenditure	—	(16,693)	—	(16,693)
Endowment net assets, end of year	\$ —	\$ —	\$ 394,426	\$ 394,426

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE F—PROGRAM SERVICE EXPENSES

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The program expenses are categorized for the years ended June 30, 2012 and 2011, as follows:

	2012	2011
Research and training	\$ 465,430	\$ 1,728,096
Courage	856,540	790,621
Total	\$ 1,321,970	\$ 2,518,717

NOTE G—RETIREMENT PLAN

The Foundation had a 403(b) defined contribution savings plan (the Plan) available to substantially all eligible employees. The Foundation's contributions to the Plan are \$4,757 and \$17,627 for the years ended June 30, 2012 and 2011.

During 2012, The Foundation discontinued the 403(b) Plan and established a 401(k) defined contribution savings plan (the Plan) available to substantially all eligible employees. Upon completion of one year of service, participants' contributions, up to the maximum of 4% of their base compensation, are matched 100% by the Foundation. The Foundation's contributions to the Plan are \$5,480 and \$0 for the years ended June 30, 2012 and 2011.

NOTE H—RELATED PARTY TRANSACTIONS

The Foundation receives donated legal services from members of the Board of Directors. For the years ended June 30, 2012 and 2011, the Foundation has recognized donated services of \$49,447 and \$25,948 related to donated legal services.

International Women's Media Foundation

Notes to Financial Statements—Continued

June 30, 2012 and 2011

NOTE I—OFFICE LEASE

The Foundation leases office space under a non-cancelable operating lease expiring in 2020. The Foundation was given the benefit of a tenant improvement allowance of \$97,650 which is being amortized over the life of the lease. A deferred rent liability is recorded on the balance sheet in relation to the tenant improvement allowance and escalating lease payments. Rent expenses are \$157,796 and \$162,904, for the years ended June 30, 2012 and 2011.

The Foundation subleased portions of its office space, beginning in 2012, under agreements expiring on various dates. Total rent received for the year ended June 30, 2012 totaled \$10,200, and the agreement extends through December 31, 2012.

Net future minimum lease payments under the office space operating lease are as follows:

2013	\$	132,501
2014		150,006
2015		154,494
2016		158,348
2017		162,298
Thereafter		365,366
		<hr/>
	\$	1,123,013
		<hr/>