

**INTERNATIONAL WOMEN'S
HEALTH COALITION, INC.**

REPORT ON AUDITS OF FINANCIAL STATEMENTS

Years Ended September 30, 2012 and 2011

Contents

Years Ended September 30, 2012 and 2011

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Financial Statements

Independent Auditors' Report

Board of Directors
International Women's
Health Coalition, Inc.
New York, New York

We have audited the accompanying statements of financial position of International Women's Health Coalition, Inc. (the "Coalition") as of September 30, 2012 and 2011, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Coalition'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. Those standards require that we plan and perform the audits 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 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 International Women's Health Coalition, Inc. as of September 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Holtz Rubenstein Reminick LLP

Melville, New York
February 26, 2013

INTERNATIONAL WOMEN'S HEALTH COALITION, INC.

Statements of Financial Position

<i>September 30,</i>	2012	2011
Assets		
Current Assets:		
Cash and cash equivalents	\$ 3,514,743	\$ 3,041,618
Grants and contributions receivable	1,938,730	361,841
Prepaid expenses and other current assets	45,835	40,846
Total Current Assets	<u>5,499,308</u>	<u>3,444,305</u>
Investment in Certificate of Deposit - Restricted	43,535	43,448
Grants and Contributions Receivable, net	1,323,844	298,745
Property and Equipment, net	57,559	73,627
Total Assets	<u>\$ 6,924,246</u>	<u>\$ 3,860,125</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 203,148	\$ 327,264
Grants payable	104,701	149,861
Deferred revenue	38,322	30,236
Total Current Liabilities	<u>346,171</u>	<u>507,361</u>
Total Liabilities	<u>346,171</u>	<u>507,361</u>
Commitments and Contingencies		
Net Assets:		
Unrestricted:		
Operating	1,850,622	582,840
Board-designated	1,591,558	1,909,658
Total Unrestricted Net Assets	<u>3,442,180</u>	<u>2,492,498</u>
Temporarily restricted	<u>3,135,895</u>	<u>860,266</u>
Total Net Assets	<u>6,578,075</u>	<u>3,352,764</u>
Total Liabilities and Net Assets	<u>\$ 6,924,246</u>	<u>\$ 3,860,125</u>

**INTERNATIONAL WOMEN'S
HEALTH COALITION, INC.**

Statements of Activities and Changes in Net Assets

Years Ended September 30, 2012 and 2011

	Unrestricted	Temporarily Restricted	2012 Total	Unrestricted	Temporarily Restricted	2011 Total
Support and Revenue:						
Contributions - foundations and others	\$ 1,771,255	\$ 1,157,092	\$ 2,928,347	\$ 625,942	\$ 115,000	\$ 740,942
Contributions - individuals	693,521	-	693,521	1,507,026	-	1,507,026
Grants - government agencies	237,211	2,689,200	2,926,411	352,036	-	352,036
Special events	-	-	-	765,214	-	765,214
Direct expenses of special events	-	-	-	(86,891)	-	(86,891)
Investment income	6,161	-	6,161	6,805	-	6,805
Miscellaneous income	110,000	-	110,000	34,305	-	34,305
Net assets released from restriction	1,570,663	(1,570,663)	-	1,003,037	(1,003,037)	-
Total Support and Revenue	4,388,811	2,275,629	6,664,440	4,207,474	(888,037)	3,319,437
Expenses:						
Programs services:						
Advocacy and Policy	1,634,678	-	1,634,678	1,839,213	-	1,839,213
Evaluation	473,345	-	473,345	270,823	-	270,823
Communications	238,441	-	238,441	508,172	-	508,172
Total program services expense	2,346,464	-	2,346,464	2,618,208	-	2,618,208
Institutional development:						
Management, administrative and board liaison	652,080	-	652,080	363,260	-	363,260
Fundraising	413,680	-	413,680	549,377	-	549,377
Total institutional development	1,065,760	-	1,065,760	912,637	-	912,637
Total Expenses	3,412,224	-	3,412,224	3,530,845	-	3,530,845
Increase (Decrease) in Net Assets before						
Foreign Currency Exchange (Loss) Gain	976,587	2,275,629	3,252,216	676,629	(888,037)	(211,408)
Foreign Currency Exchange (Loss) Gain	(26,905)	-	(26,905)	7,499	-	7,499
Increase (Decrease) in Net Assets	949,682	2,275,629	3,225,311	684,128	(888,037)	(203,909)
Net Assets, beginning of year	2,492,498	860,266	3,352,764	1,808,370	1,748,303	3,556,673
Net Assets, end of year	\$ 3,442,180	\$ 3,135,895	\$ 6,578,075	\$ 2,492,498	\$ 860,266	\$ 3,352,764

See notes to financial statements.

INTERNATIONAL WOMEN'S HEALTH COALITION, INC.

Statement of Functional Expenses

Year Ended September 30, 2012

	Program Services				Institutional Development				Total Expenses
	Advocacy and Policy	Evaluation	Communications	Total Program Services	Management, Administrative and Board Liaison	Fundraising	Total Institutional Development		
Salaries	\$ 496,992	\$ 328,949	\$ 118,045	\$ 943,986	\$ 284,648	\$ 293,613	\$ 578,261	\$ 1,522,247	
Fringe Benefits	88,579	58,629	21,039	168,247	34,768	52,331	87,099	255,346	
Total Salaries and Fringe Benefits	585,571	387,578	139,084	1,112,233	319,416	345,944	665,360	1,777,593	
Grants	485,724	-	-	485,724	-	-	-	485,724	
Professional Fees	267,032	28,333	25,202	320,567	104,562	9,726	114,288	434,855	
Accounting and Legal	3,325	1,659	26	5,010	50,076	48	50,124	55,134	
Occupancy	138,875	39,667	22,117	200,659	96,017	36,316	132,333	332,992	
Equipment Rental, Repairs and Maintenance	24,978	3,324	2,197	30,499	3,436	3,077	6,513	37,012	
Staff Travel	85,681	144	3,277	89,102	29,432	550	29,982	119,084	
Telephone	10,350	2,754	1,408	14,512	5,643	1,896	7,539	22,051	
Office Supplies	3,086	1,115	1,167	5,368	7,682	979	8,661	14,029	
Special Events	-	-	31,401	31,401	364	-	364	31,765	
Meetings and Conferences	2,468	134	-	2,602	1,155	665	1,820	4,422	
Printing and Reproduction	333	506	5,645	6,484	521	1,048	1,569	8,053	
Postage and Shipping	502	177	131	810	122	1,333	1,455	2,265	
Insurance	12,626	3,581	1,791	17,998	10,473	3,283	13,756	31,754	
Licenses and Permits	134	38	19	191	3,233	2,186	5,419	5,610	
Advertising	-	-	1,944	1,944	-	-	-	1,944	
Dues and Subscriptions	236	471	1,100	1,807	747	2,599	3,346	5,153	
Depreciation and Amortization	11,634	3,258	1,629	16,521	7,644	2,987	10,631	27,152	
Staff Development	543	155	78	776	375	630	1,005	1,781	
Miscellaneous	1,580	451	225	2,256	11,182	413	11,595	13,851	
Total Expenses	\$ 1,634,678	\$ 473,345	\$ 238,441	\$ 2,346,464	\$ 652,080	\$ 413,680	\$ 1,065,760	\$ 3,412,224	

See notes to financial statements.

INTERNATIONAL WOMEN'S
HEALTH COALITION, INC.

Statement of Functional Expenses

Year Ended September 30, 2011

	Program Services				Institutional Development			Total Expenses
	Advocacy and Policy	Evaluation	Communications	Total Program Services	Management, Administrative and Board Liaison	Fundraising	Total Institutional Development	
Salaries	\$ 821,012	\$ 149,545	\$ 311,522	\$ 1,282,079	\$ 103,265	\$ 322,833	\$ 426,098	\$ 1,708,177
Fringe Benefits	189,060	27,911	52,373	269,344	35,110	66,038	101,148	370,492
Total Salaries and Fringe Benefits	1,010,072	177,456	363,895	1,551,423	138,375	388,871	527,246	2,078,669
Grants	288,269	-	-	288,269	-	-	-	288,269
Professional Fees	224,373	29,496	33,628	287,497	9,968	54,176	64,144	351,641
Accounting and Legal	15,447	16,304	1,866	33,617	139,599	1,986	141,585	175,202
Occupancy	165,911	24,494	47,789	238,194	30,811	57,952	88,762	326,956
Equipment Rental, Repairs and Maintenance	11,671	2,161	3,225	17,057	2,177	4,126	6,303	23,360
Staff Travel	71,844	354	3,445	75,643	9,017	4,088	13,104	88,747
Telephone	17,160	2,185	3,333	22,678	2,553	3,254	5,807	28,485
Office Supplies	6,004	896	1,397	8,297	1,426	3,636	5,062	13,359
Special Events	-	-	12,747	12,747	-	-	-	12,747
Meetings and Conferences	3,658	327	2,847	6,832	2,547	149	2,696	9,528
Printing and Reproduction	1,266	130	4,101	5,497	191	13,823	14,015	19,512
Postage and Shipping	860	50	472	1,382	2,475	2,241	4,717	6,099
Insurance	-	12,401	-	12,401	18,286	-	18,286	30,687
Licenses and Permits	2,662	393	3,426	6,481	523	3,018	3,541	10,022
Advertising	405	40	17,385	17,830	-	179	179	18,009
Dues and Subscriptions	810	996	3,617	5,423	154	290	444	5,867
Depreciation and Amortization	16,053	2,370	4,447	22,870	2,982	5,607	8,589	31,459
Miscellaneous	2,748	770	552	4,070	2,176	5,981	8,157	12,227
Total Expenses	\$ 1,839,213	\$ 270,823	\$ 508,172	\$ 2,618,208	\$ 363,260	\$ 549,377	\$ 912,637	\$ 3,530,845

See notes to financial statements.

INTERNATIONAL WOMEN'S HEALTH COALITION, INC.

Statements of Cash Flows

<i>Years Ended September 30,</i>	2012	2011
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ 3,225,311	\$ (203,909)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	27,153	31,459
Foreign currency exchange loss (gain)	26,905	(7,499)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants and contributions receivable	(2,628,893)	1,011,231
Prepaid expenses and other current assets	(4,989)	15,941
(Decrease) increase in liabilities:		
Accounts payable and accrued expenses	(124,116)	(25,522)
Grants payable	(45,160)	(614,941)
Deferred revenue	8,086	30,236
Net Cash Provided by Operating Activities	<u>484,297</u>	<u>236,996</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(11,085)	-
Purchase of investments	(87)	(300,245)
Proceeds from investments	-	600,000
Net Cash (Used in) Provided by Investing Activities	<u>(11,172)</u>	<u>299,755</u>
Increase in Cash and Cash Equivalents	473,125	536,751
Cash and Cash Equivalents, beginning of year	3,041,618	2,504,867
Cash and Cash Equivalents, end of year	<u>\$ 3,514,743</u>	<u>\$ 3,041,618</u>

Notes to Financial Statements

Years Ended September 30, 2012 and 2011

1. Description of Organization and Summary of Significant Accounting Policies

Nature of operations - International Women's Health Coalition, Inc. (the "Coalition") promotes and protects the sexual and reproductive rights and health of all women and young people by helping to develop and strengthen effective health and population policies, programs, and funding, particularly in Africa, Asia and Latin America.

The Coalition's guiding principle is that global progress on sexual and reproductive rights and health requires effective participation by local leaders, advocates, service providers and especially women and young people. The Coalition works to bridge two worlds: the global actors that determine policies and funding for health in low and middle-income countries, and women and young people affected by their decisions.

Basis of presentation - The financial statements of the Coalition have been prepared on an accrual basis.

Restricted investments - Restricted investments consist primarily of the Coalition's security deposit in connection with its lease commitment and are restricted as to use by agreement with the landlord.

Fair value - Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. The Coalition must determine whether its assets and liabilities recorded at fair value were based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs) or Level 3 (valued based on significant unobservable inputs) measurements within the fair value hierarchy.

Net assets - The Coalition's financial statements distinguish between unrestricted, temporarily restricted and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions, as follows:

Unrestricted net assets - Unrestricted net assets include amounts that have not been donor restricted and are available for use in carrying out the general operations of the Coalition. Board-designated net assets include unrestricted net assets that have been designated by the Board for specific purposes.

Temporarily restricted net assets - Temporarily restricted net assets include amounts that have been limited by donor-imposed stipulations that expire with the passage of time and/or can be fulfilled and removed by the actions of the Coalition pursuant to those stipulations.

Permanently restricted net assets - Permanently restricted net assets include amounts whereby donors have stipulated that the principal contributed be maintained in perpetuity. The Coalition has no permanently restricted net assets.

Contributions - Unconditional promises to give are recorded as receivables when received. Grants and contributions receivable due in one year are recorded at their net realizable values. Grants and contributions receivable due in more than one year are recorded at the present value of their net realizable values, using risk adjusted interest rates applicable to the years in which the contributions are received to discount the amounts.

The Coalition reports gifts of cash and other assets as restricted assets, if they are received with donor stipulations that limit the use of the donated assets. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restriction.

Notes to Financial Statements

Years Ended September 30, 2012 and 2011

The Coalition reports gifts of land, buildings and equipment as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Coalition reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Allowance for doubtful accounts - Management must make estimates of the uncollectability of all grants and contributions receivable. Management specifically analyzes receivable balances, payment patterns and changes in circumstances when evaluating the need for an allowance for doubtful accounts.

Property and equipment - Property and equipment are carried at cost less accumulated depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from three to ten years. Amortization of leasehold improvements is provided over the shorter of their useful lives or the terms of the lease period using the straight-line method. The Coalition capitalizes property and equipment with a cost of \$1,500 or higher.

Annual sick leave - The Coalition does not accrue unused sick days as the payment of compensation is not probable nor reasonably estimatable.

Income taxes - The Coalition is incorporated in the State of New York as a nonprofit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income tax is required.

Uncertain tax positions - Management has evaluated the Coalition's tax positions and concluded that the Coalition has not taken any uncertain tax positions that require adjustment to the financial statements to comply with the provisions of Accounting Standards Codification 740. Generally, the Coalition is no longer subject to income tax examination by U.S. federal, state or local tax authorities for years before 2009, which is the standard statute of limitations look-back period.

Functional allocation of expenses - The cost of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Statements of cash flows - For purposes of the statements of cash flows, the Coalition considers all highly liquid debt instruments purchased with a maturity of three months or less on the date of purchase to be cash equivalents.

Advertising - All costs associated with advertising are expensed as incurred.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Evaluation of subsequent events - Management has evaluated subsequent events through February 26, 2013, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.

Reclassifications - Certain 2011 amounts and descriptions have been reclassified to conform to the 2012 financial statement presentation. These reclassifications have no effect on previously reported changes in net assets.

**INTERNATIONAL WOMEN'S
HEALTH COALITION, INC.**

Notes to Financial Statements

Years Ended September 30, 2012 and 2011

2. Grants and Contributions Receivable

Grants and contributions receivable are comprised of unconditional promises to give and consist of the following:

<i>September 30,</i>	2012	2011
Unconditional Promises to Give before Discount	\$ 3,268,002	\$ 661,841
Less Discount on Grants and Contributions Receivable	5,428	1,255
Net Unconditional Promises to Give	<u>\$ 3,262,574</u>	<u>\$ 660,586</u>
Amounts Due in:		
Less than one year	\$ 1,938,730	\$ 361,841
One to two years	1,323,844	298,745
	<u>\$ 3,262,574</u>	<u>\$ 660,586</u>

The discount rate used to calculate the net present value of the grants and contributions at September 30, 2012 was .41%, and at September 30, 2011 was .42%. No allowance for uncollectible grants and contributions was deemed necessary.

3. Property and Equipment

Property and equipment consists of the following:

<i>September 30,</i>	2012	2011
Leasehold Improvements	\$ 98,274	\$ 98,274
Computer Equipment	215,789	204,704
Office Furniture and Equipment	122,079	122,079
	<u>436,142</u>	<u>425,057</u>
Less Accumulated Depreciation	378,583	351,430
	<u>\$ 57,559</u>	<u>\$ 73,627</u>

4. Grants Payable

The Coalition has made grant commitments to various not-for-profit organizations. At September 30, 2012 and 2011, grants payable were \$104,701 and \$149,861, respectively. At September 30, 2012 and 2011 the total amounts were due in less than one year.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of amounts restricted for the following:

<i>September 30,</i>	2012	2011
Time Restrictions	<u>\$ 422,803</u>	<u>\$ 647,803</u>
Time and Purpose Restrictions:		
Child Marriage	42,500	-
Sexual and Reproductive Rights and Health	2,670,592	212,463
	<u>2,713,092</u>	<u>212,463</u>
	<u>\$ 3,135,895</u>	<u>\$ 860,266</u>

Notes to Financial Statements

Years Ended September 30, 2012 and 2011

Temporarily restricted net assets with time restrictions are available for use subsequent to September 30, 2012.

6. Commitments and Contingencies

Operating lease - The Coalition leases office space under a noncancelable operating lease which expires on April 30, 2015. In addition to base rentals, the lease provides for additional rent in the form of the Coalition's proportionate share of the increase in real estate taxes and operating expenses over a base year. The Coalition recognizes rent expense on a straight-line basis beginning with the first month of occupancy. Rent expense on a straight-line basis in excess of rental payments is recorded as a liability.

Approximate future minimum lease payments under the noncancelable operating lease are as follows:

Years Ending September 30,

2013	\$	271,000
2014		277,000
2015		164,000
	\$	<u>712,000</u>

Rent expense on a straight-line basis approximated \$279,000 and \$271,000 for the years ended September 30, 2012 and 2011, respectively.

During the year ended September 30, 2011, the Coalition entered into a one-year noncancelable lease agreement to sublease some of its office space. Total payments under the lease agreement approximated \$30,000. During the year ended September 30, 2012, the Coalition extended this lease agreement through May 2012. Total payments under this lease agreement for the year ended September 30, 2012 approximated \$104,000.

7. Retirement Plan

The Coalition maintains a tax shelter annuity plan for the benefit of all eligible employees. The Coalition is required to contribute 5% of eligible employees' compensation and match the employee's contribution up to 3% of the employee's compensation, after the employee works 20 hours per week, or more, as specified in the provisions of the Plan. Employer contributions to this Plan were temporarily discontinued beginning June 2011 and resumed in October 2011. Retirement contribution expense charged to operations for the years ended September 30, 2012 and 2011 was \$47,278 and \$55,566, respectively.

8. Concentrations

Financial instruments which potentially subject the Coalition to concentrations of credit risk consist principally of receivables and temporary cash investments. From time to time, the cash balances exceed the Federal Depository Insurance Coverage limit. The Coalition places its temporary cash investments with various financial institutions. Certain of the Coalition's receivables are denominated in foreign currencies and are subject to exchange rate fluctuations.

For 2012, 40% of total revenues of the Coalition were from one government. For 2011, 13% of total revenues of the Coalition were from one government.

Independent Auditors' Report on Supplementary Information

Board of Directors
International Women's
Health Coalition, Inc.
New York, New York

Our audit of the financial statements of International Women's Health Coalition, Inc. for the year ended September 30, 2012 was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information presented on page 12 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Holtz Rubenstein Reminick LLP

Melville, New York
February 26, 2013

INTERNATIONAL WOMEN'S HEALTH COALITION, INC.

Statement of Revenue Report to Danish International Development Agency

Year Ended September 30, 2012

Revenue:

Danish International Development Agency, Denmark (DANIDA):

File No. 104.N.151.IWHC CY 2012-CY2015 Award kr 15,000,000

\$ 2,689,200

Expenses Incurred December 1, 2011 to September 30, 2012

\$ 448,200

Cumulative Expenses as of September 30, 2012

\$ 448,200