

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

SEPTEMBER 30, 2012

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

TABLE OF CONTENTS

	<u>Page</u>
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1
FINANCIAL STATEMENTS	
<i>Statements of Financial Position,</i> September 30, 2012 and 2011	2
<i>Statements of Activities and Changes in Net Assets,</i> Years ended September 30, 2012 and 2011	3
<i>Statements of Cash Flows,</i> Years ended September 30, 2012 and 2011	5
<i>Notes to Financial Statements</i>	6
SUPPLEMENTAL FINANCIAL INFORMATION	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL FINANCIAL INFORMATION	13
<i>Schedule of Unrestricted Revenues and Functional Expenses,</i> Year ended September 30, 2012, with summarized financial information for 2011	14

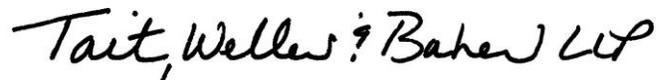
INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
International Center for Research on Women
Washington, D.C.**

We have audited the accompanying statement of financial position of International Center for Research on Women (“*ICRW*”) as of September 30, 2012, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of ICRW’s management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year comparative information has been derived from ICRW’s 2011 financial statements and, were audited by other auditors, whose report dated March 12, 2012, expressed an unqualified opinion on those financial statements.

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 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 ICRW as of September 30, 2012, and its changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
February 4, 2013**

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended September 30, 2012 and 2011

	2012		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants, contracts and contributions:			
U.S. Government	\$ 1,497,212	\$ -	\$ 1,497,212
Foundation and other	2,918,551	4,066,120	6,984,671
Investment income	97,356	-	97,356
Contributed goods and services	142,197	-	142,197
Other revenue	23,258	-	23,258
Net assets released from donor restrictions	<u>5,155,483</u>	<u>(5,155,483)</u>	<u>-</u>
Total support and revenue	<u>9,834,057</u>	<u>(1,089,363)</u>	<u>8,744,694</u>
EXPENSES			
Program Services			
Research and Programs	3,966,458	-	3,966,458
External Relations Group	37,633	-	37,633
Asia Regional Office	1,717,164	-	1,717,164
Research and Innovation	1,643,326	-	1,643,326
General Activities	<u>884,072</u>	<u>-</u>	<u>884,072</u>
Total program services	<u>8,248,653</u>	<u>-</u>	<u>8,248,653</u>
Supporting Services			
General and Administrative	2,266,913	-	2,266,913
Fundraising	<u>400,113</u>	<u>-</u>	<u>400,113</u>
Total supporting services	<u>2,667,026</u>	<u>-</u>	<u>2,667,026</u>
Total expenses	<u>10,915,679</u>	<u>-</u>	<u>10,915,679</u>
Changes in net assets before other item	(1,081,622)	(1,089,363)	(2,170,985)
OTHER ITEM			
Unrealized appreciation of investments	<u>453,327</u>	<u>-</u>	<u>453,327</u>
Changes in net assets	(628,295)	(1,089,363)	(1,717,658)
NET ASSETS			
Beginning of year	<u>4,483,584</u>	<u>5,009,113</u>	<u>9,492,697</u>
End of year	<u>\$ 3,855,289</u>	<u>\$ 3,919,750</u>	<u>\$ 7,775,039</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN
STATEMENTS OF FINANCIAL POSITION

September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 922,664	\$ 886,390
Investments (<i>Note 2</i>)	4,619,823	6,148,115
Accounts receivable	10,449	119,504
Federal and non-federal contracts receivable	924,488	491,563
Contributions receivable, current portion (<i>Note 3</i>)	1,249,021	2,040,152
Advances	164,062	21,090
Prepaid expenses	<u>57,514</u>	<u>129,389</u>
Total current assets	<u>7,948,021</u>	<u>9,836,203</u>
FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET (<i>Note 4</i>)	<u>484,622</u>	<u>558,492</u>
OTHER ASSETS		
Contributions receivable, long-term portion (<i>Note 3</i>)	551,385	616,187
Security deposits	<u>114,616</u>	<u>114,981</u>
Total other assets	<u>666,001</u>	<u>731,168</u>
TOTAL ASSETS	<u>\$ 9,098,644</u>	<u>\$11,125,863</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of note payable (<i>Note 6</i>)	\$ -	\$ 141,337
Accounts payable	256,676	284,165
Accrued payroll and leave payable	454,197	595,277
Refundable advances	<u>255,939</u>	<u>271,615</u>
Total current liabilities	<u>966,812</u>	<u>1,292,394</u>
LONG-TERM LIABILITIES		
Sublease deposit	13,844	12,994
Deferred rent (<i>Note 9</i>)	<u>342,949</u>	<u>327,778</u>
Total long-term liabilities	<u>356,793</u>	<u>340,772</u>
Total liabilities	<u>1,323,605</u>	<u>1,633,166</u>
NET ASSETS (<i>Note 7</i>)		
Unrestricted	35,021	1,472,379
Board designated	<u>3,820,268</u>	<u>3,011,205</u>
Total unrestricted	3,855,289	4,483,584
Temporarily restricted	<u>3,919,750</u>	<u>5,009,113</u>
Total net assets	<u>7,775,039</u>	<u>9,492,697</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,098,644</u>	<u>\$11,125,863</u>

2011		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 954,750	\$ -	\$ 954,750
1,951,827	4,914,555	6,866,382
77,128	-	77,128
31,192	-	31,192
21,435	-	21,435
<u>8,891,414</u>	<u>(8,891,414)</u>	<u>-</u>
<u>11,927,746</u>	<u>(3,976,859)</u>	<u>7,950,887</u>
4,406,220	-	4,406,220
157,039	-	157,039
1,924,771	-	1,924,771
1,480,281	-	1,480,281
<u>1,801,550</u>	<u>-</u>	<u>1,801,550</u>
<u>9,769,861</u>	<u>-</u>	<u>9,769,861</u>
2,364,904	-	2,364,904
<u>351,286</u>	<u>-</u>	<u>351,286</u>
<u>2,716,190</u>	<u>-</u>	<u>2,716,190</u>
<u>12,486,051</u>	<u>-</u>	<u>12,486,051</u>
(558,305)	(3,976,859)	(4,535,164)
<u>11,241</u>	<u>-</u>	<u>11,241</u>
(547,064)	(3,976,859)	(4,523,923)
<u>5,030,648</u>	<u>8,985,972</u>	<u>14,016,620</u>
<u>\$ 4,483,584</u>	<u>\$ 5,009,113</u>	<u>\$ 9,492,697</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (1,717,658)	\$ (4,523,923)
Adjustments to reconcile increase in net assets to net cash used for operating activities:		
Depreciation and amortization	104,966	100,419
Realized and unrealized gain on investment	(455,199)	(13,059)
Discount on long-term receivables	-	(21,859)
(Increase) decrease in:		
Accounts receivable	109,055	(78,554)
Contracts receivable	(131,669)	387,405
Contributions receivable	803,134	80,390
Advances	(142,972)	(4,417)
Prepaid expenses	71,875	(94,820)
Security deposits	365	453
Increase (decrease) in:		
Accounts payable	(27,489)	76,952
Annual leave payable	(141,080)	(147,210)
Refundable advances	(264,133)	128,399
Sublease deposit	850	12,994
Deferred rent	<u>15,171</u>	<u>36,922</u>
Net cash used for operating activities	<u>(1,774,784)</u>	<u>(4,059,908)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture, equipment and leasehold improvements	(31,096)	(28,377)
Purchase of investments	(3,691,509)	(578,000)
Proceeds from sale of investments	<u>5,675,000</u>	<u>4,719,748</u>
Net cash provided by investing activities	<u>1,952,395</u>	<u>4,113,371</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	<u>(141,337)</u>	<u>(204,787)</u>
Net cash used by financing activities	<u>(141,337)</u>	<u>(204,787)</u>
Net decrease in cash and cash equivalents	36,274	(151,324)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>886,390</u>	<u>1,037,717</u>
End of year	<u>\$ 922,664</u>	<u>\$ 886,390</u>
SUPPLEMENTAL INFORMATION		
Interest paid	<u>\$ 2,271</u>	<u>\$ 10,238</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO FINANCIAL STATEMENTS

September 30, 2012 and 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

ORGANIZATION AND PURPOSE

The International Center for Research on Women ("***ICRW***") is a private, non-profit organization, dedicated to promoting social and economic development with women's full participation. ICRW works in collaboration with policymakers, practitioners and researchers throughout Africa, Asia and Latin America in formulating policy and actions concerning: the economic, social and health status of women in developing countries; women's critical contributions to development, given their dual productive and reproductive roles; and policy and program features that can improve the situation of poor women while making development interventions more effective.

Focusing on economic policies, family and household structure, health and nutrition, and agriculture and the environment, ICRW's programs consist of policy-oriented research, program support and analysis services, and communications forums.

BASIS OF PRESENTATION

The accompanying financial statements are presented on the accrual basis of accounting, in accordance with FASB ASC 958, Not-For-Profit Entities. Consequently, revenue is recognized when earned and expenses when obligations are incurred.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of monies deposited in various checking accounts and money market accounts.

FOREIGN CURRENCY TRANSLATION

The U.S. Dollar (Dollars) is the functional currency for ICRW operations. Transactions in the currency other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Current assets and liabilities denominated in non-U.S. currency are translated into Dollars at the exchange rate in effect at the date of the Statements of Financial Position.

INVESTMENTS

ICRW records investments in securities at fair market value with the resulting gains and losses reported in the statement of activity. The fair market value of investments traded on a securities exchange is determined based on quoted prices for those investments.

ACCOUNTS, CONTRACTS AND CONTRIBUTIONS RECEIVABLE

Accounts, contracts and contributions receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2012 and 2011

FUTURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements are recorded at cost. Depreciation and amortization is provided on a straight-line basis over the estimated useful lives of the assets or, where applicable, the terms of the leases, whichever is shorter. The cost of furniture and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation, and any gain or loss is reflected in income. Major additions are capitalized while replacement, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed. ICRW's capitalization threshold is \$1,500.

INCOME TAXES

ICRW was incorporated in 1976 under the laws of the District of Columbia and is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code as a publicly supported organization. ICRW is, however, subject to tax on the net profits generated by activities defined as unrelated business activities under applicable tax law. To date, ICRW has not engaged in such activities.

Management has reviewed the tax positions for each of the open tax years (years ended September 30, 2009 – 2011) or expected to be taken in ICRW's September 30, 2012 tax return and has concluded that there are not significant uncertain tax positions that would require recognition in the financial statements.

NET ASSET CLASSIFICATION

Net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ICRW and changes therein are classified and reported as follows

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of ICRW and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of ICRW and/or the passage of time. When a restriction expires, 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 restrictions.

GRANTS, FEDERAL AND NON-FEDERAL CONTRACTS, AND CONTRIBUTIONS

Revenue received from cost-reimbursable contracts is recognized when expenses have been incurred. Contract awards received in exchange for services, but not expended for the purpose of the contract, are reflected as refundable advances in the accompanying Statements of Financial Position.

Contributions and grants are recorded as revenue in the year notification is received from the donor. Temporarily restricted contributions and grants are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2012 and 2011

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. 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 Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CONCENTRATION OF CREDIT RISK

ICRW occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“ASC”) 825, “*Financial Instruments*”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

Additionally, ICRW maintains field offices in India and Kenya. ICRW had \$39,751 and \$170,793 of cash and cash equivalents held at financial institutions and on hand in foreign countries as of September 30, 2012 and 2011, respectively. The funds held in foreign countries are uninsured.

RECLASSIFICATIONS

Certain reclassifications were made to the 2011 financial statements to conform to the 2012 presentation.

(2) INVESTMENTS

Investments consisted of the following at September 30, 2012 and 2011:

	<u>2012</u>		<u>2011</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Money Market	\$ 784,604	\$ 784,604	\$ 3,771,351	\$ 3,771,351
Mutual Funds				
Equities	1,413,064	1,918,594	1,413,064	1,504,774
Fixed Income	<u>1,792,672</u>	<u>1,916,625</u>	<u>785,336</u>	<u>871,990</u>
Total Investments	<u>\$ 3,990,340</u>	<u>\$ 4,619,823</u>	<u>\$ 5,969,751</u>	<u>\$ 6,148,115</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2012 and 2011

ICRW utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritize inputs to valuation methods. The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that ICRW has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing ICRW’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value ICRW’s investments as of September 30, 2012 and 2011 is as follows:

	<u>2012</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Asset Class:				
Money Market	\$ 784,604	\$ -	\$ -	\$
Mutual Funds:				
Equities	1,918,594	-	-	
Fixed Income	<u>1,916,625</u>	<u>-</u>	<u>-</u>	
Total	<u>\$ 4,619,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$</u>

	<u>2011</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Asset Class:				
Money Market	\$ 3,771,351	\$ -	\$ -	\$ 3,771,351
Mutual Funds:				
Equities	1,504,774	-	-	1,504,774
Fixed Income	<u>871,990</u>	<u>-</u>	<u>-</u>	<u>871,990</u>
Total	<u>\$ 6,148,115</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,148,115</u>

Included in investment income are the following:

	<u>2012</u>	<u>2011</u>
Interest income	\$ 95,484	\$ 75,310
Realized gain	<u>1,872</u>	<u>1,818</u>
Total investment income	<u>\$ 97,356</u>	<u>\$ 77,128</u>
Unrealized appreciation of investments	<u>\$ 453,327</u>	<u>\$ 11,241</u>

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2012 and 2011

(3) CONTRIBUTIONS RECEIVABLE

All contributions receivable are considered to be collectible within one year unless otherwise stated by the donor. Contributions which will not be paid within one year have been discounted at the rate of .75% in 2011.

Contributions receivable consisted of the following at September 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Foundation	1,800,406	2,656,339
Less: Current portion	<u>(1,249,021)</u>	<u>(2,040,152)</u>
Contributions receivable, long-term portion	<u>\$ 551,385</u>	<u>\$ 616,187</u>

Contributions are due as follows at September 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Less than one year	\$ 1,249,021	\$ 2,040,152
One to five years	<u>551,385</u>	<u>619,237</u>
	1,800,406	2,659,389
Less: Allowance to discount balance to present value	<u>-</u>	<u>(3,050)</u>
Total contributions receivable	<u>\$ 1,800,406</u>	<u>\$ 2,656,339</u>

(4) FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements are as follows at September 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Furniture and equipment	\$ 533,468	\$ 531,407
Leasehold improvements	<u>638,584</u>	<u>609,549</u>
	1,172,052	1,140,956
Less: Accumulated depreciation and amortization	<u>(687,430)</u>	<u>(582,464)</u>
Furniture and equipment, net	<u>\$ 484,622</u>	<u>\$ 558,492</u>

(5) BANK LINE OF CREDIT

ICRW has available a \$200,000 revolving working capital line of credit that expires on May 30, 2013. Advances under this line accrue interest at the bank's prime rate in 2012 and prime rate plus 1% in 2011. The prime rate of interest at September 30, 2012 and 2011 was 3.25%. There was no outstanding balance on the line of credit as of September 30, 2012 and 2011.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2012 and 2011

(6) NOTE PAYABLE

On May 1, 2007, ICRW was approved for a loan up to \$850,000 to fund leasehold improvements, collateralized by an investment account held by ICRW. The note had an interest rate of 4.27% and was paid in full during 2012. The outstanding balance at September 30, 2011 was \$141,337.

For the years ended September 30, 2012 and 2011, interest expense totaled \$2,271 and \$10,238, respectively.

(7) NET ASSETS

As of September 30, 2012 and 2011, net assets have been designated by the Board of Directors for the following purposes:

	<u>2012</u>	<u>2011</u>
Operating Reserve	<u>\$3,820,268</u>	<u>\$ 3,011,205</u>

Temporarily restricted net assets as of September 30, 2012 and 2011 relates to non-Federal grants. The net assets will be released when expenses are incurred that satisfy the restricted purposes. Temporarily restricted net assets consist of the following at September 30, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Research and Programs	\$ 2,248,712	\$2,564,441
External Relations Group	(37,649)	20,244
Asia Regional Office	747,039	1,048,230
Research and Innovation	619,805	1,050,614
General Activities	<u>341,843</u>	<u>325,584</u>
	<u>\$ 3,919,750</u>	<u>\$5,009,113</u>

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

	<u>2012</u>	<u>2011</u>
Research and Programs	\$ 2,655,289	\$ 4,001,983
External Relations Group	22,813	194,756
Asia Regional Office	880,964	1,301,370
Research and Innovation	1,505,809	1,676,410
General Activities	<u>90,608</u>	<u>1,716,895</u>
	<u>\$ 5,155,483</u>	<u>\$ 8,891,414</u>

The net assets released include direct expenses as well as indirect expenses for the restricted purposes.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2012 and 2011

(8) CONTRIBUTED GOODS AND SERVICES

Contributed goods and services are recorded at their fair market value as of the date of the gift. During the years ended September 30, 2012 and 2011, ICRW was the beneficiary of donated goods and services, which allowed ICRW to provide greater resources toward various programs.

The following contributed goods and services have been included in revenue and expenses for the years ended September 30, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Training	\$ 10,719	\$ -
Computer equipment / software licenses	<u>131,478</u>	<u>31,192</u>
Total contributed goods and services	<u>\$ 142,197</u>	<u>\$ 31,192</u>

(9) LEASE AND OTHER COMMITMENTS AND CONTINGENCIES

ICRW leases office space in Washington D.C. under a non-cancelable lease which expires on September 30, 2017. This lease contained a certain amount of free rent. ICRW subleased a portion of this space to two organizations under two leases expiring March 31, 2014 and September 30, 2016.

In accordance with generally accepted accounting principles, rent expense is recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense is recorded as a deferred rent liability in the Statements of Financial Position.

ICRW also rents office space in Mumbai and Delhi, India and Nairobi Kenya. These leases are on a month-to-month or annual basis.

The following is a schedule of future minimum rental payments and receipts required under these non-cancelable operating leases for the Washington, D.C. office as of September 30, 2013:

<u>Year Ended September 30,</u>	<u>Office Space</u>	<u>Rental Income</u>	<u>Net</u>
2013	\$ 928,402	\$ 202,107	\$ 726,295
2014	951,612	159,591	792,021
2015	975,431	80,440	894,991
2016	999,813	57,864	941,949
Thereafter	<u>1,024,775</u>	<u>-</u>	<u>1,024,775</u>
	<u>\$ 4,880,033</u>	<u>\$ 500,002</u>	<u>\$ 4,380,031</u>

Rent expense, net of rental income of \$150,093 and \$48,169 for the years ended September 30, 2012 and 2011 totaled \$931,837 and \$1,049,943, respectively.

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

NOTES TO FINANCIAL STATEMENTS – (Continued)

September 30, 2012 and 2011

OTHER COMMITMENTS

At September 30, 2012 and 2011, ICRW had obligated funds through various sub-agreements for research and program support with third-party organizations in the amounts of \$106,829 and \$245,815, respectively, payable in installments according to the terms of the various sub-agreements. The liability for these obligations will be recorded when the expenses have been incurred by the sub-grantees.

CONTINGENCY

ICRW receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of OMB Circular A-133. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. Audits in accordance with the provisions of OMB Circular A-133 have been completed for all required fiscal years through 2012. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

(10) PENSION PLAN

ICRW maintains a Section 403(b) tax-deferred annuity pension plan for its employees. The plan provides employer contributions at the rate of eight percent of eligible compensation after employees complete one year of service. The pension contributions for the years ended September 30, 2012 and 2011 were \$319,144 and \$426,586, respectively.

(11) SUBSEQUENT EVENTS

In preparing these financial statements, ICRW has evaluated events and transactions for potential recognition or disclosure through February 4, 2013, the date the financial statements were issued.

SUPPLEMENTAL INFORMATION

**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTAL FINANCIAL INFORMATION**

**Tot the Board of Directors of
International Center for Research on Women
Washington, D.C.**

We have audited the financial statements of International Center for Research on Women (ICRW) as of and for the year ended September 30, 2012 have issued our report thereon dated March __, 2013, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of unrestricted revenues and functional expenses is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Tait, Weller & Baker LLP

**Philadelphia, Pennsylvania
February 4, 2013**

INTERNATIONAL CENTER FOR RESEARCH ON WOMEN

SCHEDULE OF UNRESTRICTED REVENUES AND FUNCTIONAL EXPENSES

For The Year Ended September 30, 2012 With Summarized Financial Information For 2011

	2012				
	PROGRAM SERVICES				
	Research And Programs	External Relations Group	Asia Regional Office	Research And Innovation	General Activities
SUPPORT AND REVENUE					
Grants, contracts and contributions	\$ 4,932,046	\$ 46,472	\$ 2,110,916	\$ 2,034,549	\$ 74,790
Investment income	-	-	-	-	89,209
Contributed goods and services	-	-	-	-	-
Other revenue	-	-	-	-	442
Total unrestricted support and revenue	<u>4,932,046</u>	<u>46,472</u>	<u>2,110,916</u>	<u>2,034,549</u>	<u>164,441</u>
EXPENSES					
Salaries – Regular	1,392,894	10,944	49,497	454,017	305,672
Salaries – Secounded	2,244	-	195,155	45,866	6,964
Salaries – Field offices	47,236	-	234,246	38,871	11,335
Benefits	588,375	4,616	177,373	219,710	133,065
Printing and duplicating	19,874	11	12,452	8,292	3,338
Occupancy	2,061	-	56,162	6,963	5,731
Accounting/Audit	-	-	-	-	4,176
Insurance	38,414	-	-	-	7,330
Depreciation and amortization	-	-	-	-	-
Telecommunications	4,269	28	18,905	3,422	5,304
Donated services	-	-	-	-	-
Postage and delivery	2,617	6	628	465	300
Office supplies	3,455	-	7,925	641	2,913
Subscriptions and publications	1,967	-	7	-	4,105
Other direct costs	96	-	3,792	115	4,122
Bank fees	2,801	-	779	297	586
Equipment	288	-	19,630	8,323	1,619
Contract services	375,977	6,405	397,660	406,132	69,670
Meetings and conferences	10,912	-	36,411	6,581	10,627
Recruitment	-	-	-	1,177	5,754
Program support	374,851	3,594	161,099	156,281	83,892
Contributions	-	-	-	-	250
Sub-agreements	191,838	-	146,386	18,924	-
Facilities	544,149	4,275	19,336	177,367	119,414
Honoraria	-	-	-	(800)	-
Transportation and travel	356,596	7,754	179,721	80,121	78,131
Fee recovery	22,835	-	-	-	-
Representation	126	-	-	-	-
Miscellaneous	620	-	-	-	12,298
Bad debt expense	-	-	-	-	-
Intra-company transfers	(18,037)	-	-	10,561	7,476
Total expenses before general and administrative allocation	3,966,458	37,633	1,717,164	1,643,326	884,072
General and administrative allocation	<u>946,923</u>	<u>9,471</u>	<u>394,451</u>	<u>405,134</u>	<u>215,545</u>
Total expenses	<u>4,913,381</u>	<u>47,104</u>	<u>2,111,614</u>	<u>2,048,459</u>	<u>1,099,617</u>
Excess (deficiency) of support and revenue with respect to expenses	<u>\$ 18,665</u>	<u>\$ (632)</u>	<u>\$ (698)</u>	<u>\$ (13,910)</u>	<u>\$ (935,176)</u>

SUPPORTING SERVICES					2011
Total Program Services	Fundraising	General And Administrative	Total Supporting Services	Total	Total
\$ 9,198,773	\$ 372,473	\$ -	\$ 372,473	\$ 9,571,246	\$ 11,797,991
89,209	-	8,147	8,147	97,356	77,128
-	-	142,197	142,197	142,197	31,192
442	-	22,816	22,816	23,258	21,435
<u>9,288,424</u>	<u>372,473</u>	<u>173,160</u>	<u>545,633</u>	<u>9,834,057</u>	<u>11,927,746</u>
2,213,024	125,758	1,546,326	1,672,084	3,885,108	4,805,565
250,229	-	1,827	1,827	252,056	252,210
331,688	-	68,933	68,933	400,621	383,934
1,123,139	53,050	663,607	716,657	1,839,796	2,409,697
43,967	9,450	13,306	22,756	66,723	92,869
70,917	-	860,920	860,920	931,837	1,049,943
4,176	-	73,624	73,624	77,800	59,410
45,744	-	36,960	36,960	82,704	40,470
-	-	104,966	104,966	104,966	100,419
31,928	-	42,409	42,409	74,337	90,076
-	58	142,197	142,255	142,255	31,192
4,016	3,696	2,354	6,050	10,066	15,152
14,934	2,456	18,193	20,649	35,583	37,688
6,079	1,183	23,453	24,636	30,715	24,011
8,125	8,957	63,040	71,997	80,122	10,390
4,463	-	11,746	11,746	16,209	103,678
29,860	-	81,127	81,127	110,987	84,433
1,255,844	83,789	158,792	242,581	1,498,425	1,330,577
64,531	58,369	21,564	79,933	144,464	262,799
6,931	235	1,340	1,575	8,506	27,415
779,717	-	(779,717)	(779,717)	-	-
250	-	-	-	250	150
357,148	-	-	-	357,148	524,034
864,541	49,130	(913,671)	(864,541)	-	-
(800)	100	8,500	8,600	7,800	11,050
702,323	2,465	12,660	15,125	717,448	696,764
22,835	-	-	-	22,835	14,518
126	-	-	-	126	1,695
12,918	1,417	2,457	3,874	16,792	25,912
-	-	-	-	-	-
-	-	-	-	-	-
8,248,653	400,113	2,266,913	2,667,026	10,915,679	12,486,051
<u>1,971,522</u>	<u>153,004</u>	<u>(2,124,526)</u>	<u>(1,971,522)</u>	<u>-</u>	<u>-</u>
<u>10,220,175</u>	<u>553,117</u>	<u>142,387</u>	<u>695,504</u>	<u>10,915,679</u>	<u>12,486,051</u>
<u>\$ (931,751)</u>	<u>\$ (180,644)</u>	<u>\$ 30,773</u>	<u>\$ (149,871)</u>	<u>\$ (1,081,622)</u>	<u>\$ (558,305)</u>