

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011**

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The White Ribbon Alliance for Safe Motherhood
Washington, D.C.

We have audited the accompanying financial statements of The White Ribbon Alliance for Safe Motherhood (WRA) (a non-profit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WRA as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Friedman

Bethesda, Maryland

July 15, 2013

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	\$ 1,214,209	\$ 1,508,228
Grants and contracts receivable, current portion (Note 7)	1,581,474	1,427,471
Other receivables	2,588	107,228
Program center advances	5,858	137,416
Travel advances	6,817	698
Prepaid expenses	<u>38,525</u>	<u>62,418</u>
Total current assets	<u>2,849,471</u>	<u>3,243,459</u>
NONCURRENT ASSETS		
Grants and contracts receivable, net of current portion (Note 7)	<u>1,435,016</u>	<u>72,639</u>
TOTAL ASSETS	<u>\$ 4,284,487</u>	<u>\$ 3,316,098</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 203,982	\$ 142,992
Accrued employee benefits	77,931	84,322
Funds held in trust (Note 2)	-	6,934
Deferred contract revenue	<u>-</u>	<u>5,737</u>
Total current liabilities	<u>281,913</u>	<u>239,985</u>
NET ASSETS		
Unrestricted (deficit) (Note 11)	(417,677)	754,143
Temporarily restricted (Note 3)	<u>4,420,251</u>	<u>2,321,970</u>
Total net assets	<u>4,002,574</u>	<u>3,076,113</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,284,487</u>	<u>\$ 3,316,098</u>

See accompanying notes to financial statements.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS DECEMBER 31, 2012 AND 2011

	<u>2012</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
U.S. Government grants and contracts (Note 5)	\$ 530,980	\$ -	\$ 530,980
Other grants and contracts	800	4,589,690	4,590,490
Contributions	227,180	-	227,180
Interest income	512	-	512
In-kind contributions (Note 8)	207,537	-	207,537
Special events	825	-	825
Other revenue	-	-	-
Exchange rate gain	6,556	-	6,556
Net assets released from donor restrictions - satisfaction of program restrictions (Note 4)	<u>2,491,409</u>	<u>(2,491,409)</u>	<u>-</u>
Total support and revenue	<u>3,465,799</u>	<u>2,098,281</u>	<u>5,564,080</u>
EXPENSES			
Maternal Health	2,819,905	-	2,819,905
Management and General	1,497,726	-	1,497,726
Fundraising	<u>319,988</u>	<u>-</u>	<u>319,988</u>
Total expenses	<u>4,637,619</u>	<u>-</u>	<u>4,637,619</u>
Changes in net assets (Note 11)	(1,171,820)	2,098,281	926,461
Net assets at beginning of year	<u>754,143</u>	<u>2,321,970</u>	<u>3,076,113</u>
NET ASSETS AT END OF YEAR (Note 11)	<u>\$ (417,677)</u>	<u>\$ 4,420,251</u>	<u>\$ 4,002,574</u>

See accompanying notes to financial statements.

2011		
Unrestricted	Temporarily Restricted	Total
\$ 615,608	\$ -	\$ 615,608
409,380	1,653,295	2,062,675
336,413	-	336,413
1,503	-	1,503
1,036,316	-	1,036,316
1,497	-	1,497
13,293	-	13,293
24,953	-	24,953
<u>3,485,130</u>	<u>(3,485,130)</u>	<u>-</u>
<u>5,924,093</u>	<u>(1,831,835)</u>	<u>4,092,258</u>
5,175,558	-	5,175,558
956,823	-	956,823
<u>299,170</u>	<u>-</u>	<u>299,170</u>
<u>6,431,551</u>	<u>-</u>	<u>6,431,551</u>
(507,458)	(1,831,835)	(2,339,293)
<u>1,261,601</u>	<u>4,153,805</u>	<u>5,415,406</u>
<u>\$ 754,143</u>	<u>\$ 2,321,970</u>	<u>\$ 3,076,113</u>

See accompanying notes to financial statements.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

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

	<u>Maternal Health</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 818,633	\$ 581,389	\$ 96,484	\$ 1,496,506
Benefits (Note 9)	333,807	300,334	39,823	673,964
Printing and production	31,173	548	(421)	31,300
Professional fees	55,313	116,803	327	172,443
Occupancy	2,257	119,555	-	121,812
Accounting and audit	15,000	10,593	-	25,593
Insurance	-	15,859	-	15,859
Telephone	51,030	17,156	2,196	70,382
Travel and related expenses	386,097	134,384	28,978	549,459
Consulting fees	282,888	116,487	139,834	539,209
Postage and delivery	3,276	1,894	1,683	6,853
Supplies	34,499	18,579	218	53,296
Subscriptions	14,201	12,348	374	26,923
Meetings	72,806	44,414	4,769	121,989
Advertising	2,567	-	-	2,567
Fundraising events	19,091	-	4,345	23,436
Bank fees	1,547	3,555	2,363	7,465
Equipment rental and maintenance	5,692	2,000	(985)	6,707
Subgrants and subcontracts	482,491	-	-	482,491
Other	-	1,828	-	1,828
In-kind professional fees (Note 8)	<u>207,537</u>	<u>-</u>	<u>-</u>	<u>207,537</u>
TOTAL	<u>\$ 2,819,905</u>	<u>\$ 1,497,726</u>	<u>\$ 319,988</u>	<u>\$ 4,637,619</u>

See accompanying notes to financial statements.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Maternal Health</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 997,000	\$ 435,929	\$ 61,144	\$ 1,494,073
Benefits (Note 9)	352,017	164,673	33,706	550,396
Printing and production	65,177	4,282	1,281	70,740
Professional fees	88,482	71,783	60,522	220,787
Occupancy	39,729	117,278	-	157,007
Accounting and audit	934	21,036	-	21,970
Insurance	-	14,670	24	14,694
Telephone	56,582	8,413	5,616	70,611
Travel and related expenses	635,118	35,378	42,426	712,922
Consulting fees	560,660	41,856	41,360	643,876
Postage and delivery	7,863	3,137	2,081	13,081
Supplies	67,652	13,992	3,570	85,214
Subscriptions	20,930	7,449	18	28,397
Meetings	105,073	8,771	1,325	115,169
Advertising	-	1,280	-	1,280
Fundraising events	2,437	-	8,669	11,106
Bank fees	780	4,604	1,782	7,166
Equipment rental and maintenance	3,381	2,292	-	5,673
Subgrants and subcontracts	1,135,427	-	-	1,135,427
Contributions to other organizations	-	-	35,646	35,646
In-kind professional fees (Note 8)	390,910	-	-	390,910
Donated facilities (Note 8)	608,406	-	-	608,406
Donated goods, materials and supplies (Note 8)	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
TOTAL	<u>\$ 5,175,558</u>	<u>\$ 956,823</u>	<u>\$ 299,170</u>	<u>\$ 6,431,551</u>

See accompanying notes to financial statements.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENTS OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 926,461	\$ (2,339,293)
Adjustments to reconcile in net assets to net cash used by operating activities:		
Change in present value discount on noncurrent grants and contracts receivable	44,277	(15,455)
(Increase) decrease in:		
Grants and contracts receivable	(1,560,657)	1,408,015
Other receivables	104,640	51,577
Program center advances	131,558	54,987
Travel advances	(6,119)	(542)
Prepaid expenses	23,893	(44,303)
Increase (decrease) in:		
Accounts payable and accrued liabilities	60,990	153
Accrued employee benefits	(6,391)	24,962
Funds held in trust	(6,934)	-
Deferred contract revenue	<u>(5,737)</u>	<u>5,737</u>
Net cash used by operating activities	<u>(294,019)</u>	<u>(854,162)</u>
Net decrease in cash and cash equivalents	(294,019)	(854,162)
Cash and cash equivalents at beginning of year	<u>1,508,228</u>	<u>2,362,390</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,214,209</u>	<u>\$ 1,508,228</u>

See accompanying notes to financial statements.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The White Ribbon Alliance for Safe Motherhood (WRA) is a non-profit organization, incorporated in the District of Columbia during 2006. WRA is an international coalition of individuals and organizations, formed to promote increased public awareness of the need to make pregnancy and childbirth safe for all women and newborns in the developing, as well as, developed countries. WRA is a grassroots movement for safe motherhood that builds alliances, strengthens capacity, influences policies, harnesses resources and inspires action to save women's and newborn's lives worldwide.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents -

WRA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Through December 31, 2012, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") provided temporary unlimited deposit insurance coverage for non-interest bearing transaction accounts at all Federal Deposit Insurance Corporation (FDIC) insured depository institutions (the "Dodd-Frank Deposit Insurance Provision"). WRA maintained a portion of its cash balances at financial institutions in non-interest bearing accounts; thereby, all of these cash balances were protected by the FDIC under this Act. Beginning January 1, 2013, funds deposited in non-interest bearing accounts will no longer receive unlimited deposit insurance coverage. Bank deposit accounts at one institution will be insured by the FDIC up to a limit of \$250,000. Management believes the risk in these situations to be minimal.

Income taxes -

WRA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. WRA is not a private foundation.

Uncertain tax positions -

For the years ended December 31, 2012 and 2011, WRA has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

The Federal Form 990, *Return of Organization Exempt from Income Tax*, is subject to examination by the Internal Revenue Service, generally for three years after it is filed.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of WRA 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 WRA 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 and contracts revenue -

Grants and subawards that are awarded to WRA from foundations, bilateral and international organizations, pass-through entities and other non-Federal organizations are accounted for as contributions or exchange transactions, depending on the nature of the award. WRA's policy is to treat donor-restricted grant awards/obligations as temporarily restricted support in the year notification is received from the donor. Grants are recognized as unrestricted support (released from restrictions) only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions (or satisfaction of time restrictions). Grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Subcontracts that are awarded to WRA from prime recipients of U.S. Government agencies and pass-through entities are accounted for as exchange transactions, and accordingly, revenue is recognized when the qualifying expenditures are incurred. Any funds received in advance of incurring qualifying expenditures are recorded as deferred contract revenue.

Grants and contracts receivable -

Grants receivable that are expected to be collected in future years are recorded at their fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue.

Conditional promises to give are not included as support until the conditions are substantially met. Contracts and other accounts receivable are recorded at their net realizable value, which approximates fair value. All grants and contracts receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

In-kind contributions -

In-kind contributions consist of donated advertising, facilities, materials, goods/supplies and other professional services. The services are reported at estimated fair value based on the number of donated hours and estimated rates of services rendered.

The value of in-kind contributions totaled \$207,537 and \$1,036,316 during the years ended December 31, 2012 and 2011, respectively.

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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

2. FUNDS HELD IN TRUST

The Positive Deviance Initiative (PDI) was created in 2002 and is currently funded by the Rockefeller Foundation. The aim of the PDI is to amplify the use of the Positive Deviance approach worldwide, to address intractable problems that affect most vulnerable people, through the creation of networks and partnerships and training.

In December 2008, PDI contacted WRA and requested that it act as the fiscal agent for the Jerry Sternin Fellowship Fund established at the passing of Jerry Sternin. As the fiscal agent, WRA is responsible for collecting the donations and notifying Ms. Monique Sternin and Mr. Sam Sternin before issuing the funds to recipients who would not have been able to pay for participation in the PDI programs.

During 2012, the funds were returned to Ms. Monique Sternin. As of December 31, 2011, the balance in the fund totaled \$6,934.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Bertarelli Foundation - Promotion of Midwifery as a Career in Tanzania	\$ 20,474	\$ -
DFID - Maternal Health Advocacy Program	-	426,955
The Bill and Melinda Gates Foundation - Advocacy Campaign for MNCH	-	1,216,611
CARE Norway - Norad IMM Campaign	-	204,239
Estee Lauder - MAC AIDS - South Africa	-	6,978
Merck - Promote Midwifery as a Career in TZ	-	196,833
MacArthur Foundation - Social Media	112,501	270,354
The Bill and Melinda Gates Foundation - Advocating for improved delivery of MNH	<u>4,287,276</u>	<u>-</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 4,420,251</u>	<u>\$ 2,321,970</u>

4. NET ASSETS RELEASED FROM RESTRICTIONS

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>
Bertarelli Foundation - Promotion of Midwifery as a Career in Tanzania	\$ 89,242	\$ -
DFID - Maternal Health Advocacy Program	451,206	1,013,461
UNGA - September Event	-	150,000
MacArthur Foundation - Social Media	160,214	127,285
The Bill and Melinda Gates Foundation - Advocacy Campaign for MNCH	1,216,611	1,550,311
CARE Norway - Norad IMM Campaign	204,239	600,906
Estee Lauder - MAC AIDS - South Africa	6,978	-
Merck - Promote Midwifery as a Career in TZ	196,833	3,167
UNFPA - Stories of Mid Wives II	-	40,000
The Bill and Melinda Gates Foundation - Advocating for improved delivery of MNH	<u>166,086</u>	<u>-</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 2,491,409</u>	<u>\$ 3,485,130</u>

5. CONTINGENCIES

U.S. Government assistance -

WRA is the recipient of Federal awards through certain entities funded by the U.S. Government. Such awards are subject to audit under the provisions of OMB Circular A-133. The ultimate determination of amounts received under these awards 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.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011**

5. CONTINGENCIES (Continued)

U.S. Government assistance (continued)-

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.

6. LINE OF CREDIT

WRA maintains a \$500,000 line of credit with a local financial institution. The line of credit is secured by WRA's cash and receivables. The line of credit bears interest on outstanding borrowings equal to the Federal prime rate plus 1.00% (4.25% at December 31, 2012 and 2011). There were no outstanding borrowings on the line of credit as of December 31, 2012 and 2011.

7. GRANTS AND CONTRACTS RECEIVABLE

WRA receives contributions from foundations and international organizations for multi-year program support. As of December 31, 2012 and 2011, WRA had uncollected commitments from such organizations aggregating \$3,063,128 and \$1,502,471, respectively. Grant payments due in future years have been discounted using an interest factor effective at the date of donor award. The following is a schedule of expected payments to be received in future years, as December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Less than one year	\$ 1,581,474	\$ 1,427,471
One to five years	<u>1,481,654</u>	<u>75,000</u>
Total	3,063,128	1,502,471
Less: Present value discount (3.25%)	<u>(46,638)</u>	<u>(2,361)</u>
GRANTS RECEIVABLE, NET	<u>\$ 3,016,490</u>	<u>\$ 1,500,110</u>

8. IN-KIND CONTRIBUTIONS

During the years ended December 31, 2012 and 2011, WRA was the beneficiary of certain donated goods and services, which allow WRA to provide greater resources towards various programs. To properly reflect total program expenses, the following donations have been included in revenue and expense for the years ended December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Donated advertising	\$ -	\$ 20,147
Donated professional services	207,537	370,763
Donated goods, materials and supplies	-	37,000
Donated facilities	<u>-</u>	<u>608,406</u>
TOTAL IN-KIND CONTRIBUTIONS	<u>\$ 207,537</u>	<u>\$ 1,036,316</u>

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012 AND 2011

9. RETIREMENT PLAN

Effective January 1, 2012, WRA adopted a 401(k) profit sharing retirement plan covering its U.S. employees 18 years of age and older (employees are eligible immediately upon hire). WRA makes non-elective safe harbor contributions of three percent of eligible compensation. Contributions to the plan during the year ended December 31, 2012 totaled \$41,109.

Effective January 1, 2012, WRA provides retirement benefits to its U.K. staff through a defined contribution plan covering its local employees. WRA contributes 3% of gross wages. Contributions to the plan during the year ended December 31, 2012 totaled \$11,446.

10. CONCENTRATION OF REVENUE

Approximately 81% of WRA's revenue for the year ended December 31, 2012 was received from a single donor. WRA has no reason to believe that the relationship with this donor will be discontinued in the foreseeable future.

11. EMPHASIS OF A MATTER

During the year ended December 31, 2012 and 2011, WRA realized a net loss from unrestricted operations of \$(1,171,820) and \$(507,458). With board approval and support, WRA used unrestricted funds to support unfunded program initiatives and build National Alliances capacity to allow them to be sustainable. In 2011, \$507,458 of unrestricted funds were used to support National Alliance initiatives and capacity building, financial systems upgrade, and investment in fundraising plan for major fundraising drives including targeting major gifts donors to supplement reduced grant funding from government and bilateral sources. In 2012, WRA used \$754,143 of unrestricted funds to scale up fundraising activities and strategies and supplement private funding overhead shortfalls. As of December 31, 2012, WRA was in an unrestricted net deficit position aggregating \$(417,677).

Management of WRA has presented a financial picture for 2013 that includes new donor awards (to fund projects) and other awards with flexible/less restrictive funding terms (to be used as operating support).

As of the date of this report, management expects to reduce the cumulative net deficit position in 2013 by approximately \$400,000. Based on the budget presented by management, the financial statements have been prepared assuming that WRA will continue as a going concern.

12. SUBSEQUENT EVENTS

In preparing these financial statements, WRA has evaluated events and transactions for potential recognition or disclosure through July 15, 2013, the date the financial statements were issued.