

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT**

**WOMEN 4 WOMEN, INC.**

**DECEMBER 31, 2007**

## CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	3
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8

**Founders & Principals**

John D. Winslow, CPA  
Barbara A. Lasky, CPA  
Margaret H. Anderson, CPA  
Ellis Bryant, CPA

943 South First Street  
Louisville, KY 40203-2242

Phone: 502.584.9793 or 1.800.719.9312

Fax: 502.584.9796

Web: [www.ablw-cpas.com](http://www.ablw-cpas.com)

E-mail: [ablw@ablw-cpas.com](mailto:ablw@ablw-cpas.com)

*Providing timely, accurate, useful information to decision makers*

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Women 4 Women, Inc.

We have audited the accompanying statement of financial position of Women 4 Women, Inc. (a nonprofit organization) as of December 31, 2007, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Women 4 Women, Inc. as of December 31, 2007 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Anderson, Bryant, Lasky + Winslow, P.S.C.*

Louisville, Kentucky  
May 7, 2008

**STATEMENT OF FINANCIAL POSITION  
WOMEN 4 WOMEN, INC.  
DECEMBER 31, 2007**

<b>ASSETS</b>	
Cash	\$592,890
Promises to give	286,876
Equipment, net	<u>7,441</u>
Total assets	<u>\$887,207</u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>Liabilities</b>	
Accounts payable	\$ 5,740
Accrued payroll and vacation	<u>3,530</u>
Total liabilities	<u>9,270</u>
 <b>Net assets</b>	
Unrestricted	376,820
Temporarily restricted	<u>501,117</u>
Total net assets	<u>877,937</u>
Total liabilities and net assets	<u>\$887,207</u>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF ACTIVITIES  
WOMEN 4 WOMEN, INC.  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support:			
Contributions and grants	\$273,691	\$577,414	\$ 851,105
Special events	252,717	0	252,717
Special event direct expense	(114,318)	0	(114,318)
Interest income	<u>16,373</u>	<u>0</u>	<u>16,373</u>
Total support	428,463	577,414	1,005,877
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>185,903</u>	<u>(185,903)</u>	<u>0</u>
Total support and net assets released from restrictions	<u>614,366</u>	<u>391,511</u>	<u>1,005,877</u>
Expenses:			
Program services	343,246	0	343,246
Management and general	79,512	0	79,512
Fundraising	<u>150,818</u>	<u>0</u>	<u>150,818</u>
Total expenses	<u>573,576</u>	<u>0</u>	<u>573,576</u>
Change in net assets	40,790	391,511	432,301
Net assets at beginning of year	<u>336,030</u>	<u>109,606</u>	<u>445,636</u>
Net assets at end of year	<u>\$376,820</u>	<u>\$501,117</u>	<u>\$ 877,937</u>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF FUNCTIONAL EXPENSES  
WOMEN 4 WOMEN, INC.  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Program</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 88,825	\$23,675	\$ 37,654	\$150,154
Payroll taxes and benefits	17,944	4,786	7,606	30,336
Professional services	196,748	37,993	82,029	316,770
Postage and delivery	2,102	172	273	2,547
Training	2,504	668	1,061	4,233
Office expense	9,427	1,545	3,721	14,693
Printing	2,684	3,315	1,837	7,836
Telephone and internet	2,898	772	1,229	4,899
Insurance	1,396	372	592	2,360
Rent	3,577	953	1,516	6,046
Travel and mileage	589	156	250	995
Meeting expense	8,723	3,438	6,602	18,763
Parking	1,372	365	582	2,319
Dues and subscriptions	1,608	429	682	2,719
Miscellaneous	614	277	4,237	5,128
Depreciation	<u>2,235</u>	<u>596</u>	<u>947</u>	<u>3,778</u>
 Total expenses	 <u>\$343,246</u>	 <u>\$79,512</u>	 <u>\$150,818</u>	 <u>\$573,576</u>

The accompanying notes are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS  
WOMEN 4 WOMEN, INC.  
FOR THE YEAR ENDED DECEMBER 31, 2007**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$432,301
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,778
(Increase) decrease in operating assets:	
Receivables	4,925
Promises to give	(240,172)
Increase (decrease) in liabilities	<u>8,645</u>
Net cash provided (used) by operating activities	<u>209,477</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of office equipment	<u>(5,333)</u>
Net cash provided (used) by investing activities	<u>(5,333)</u>
Net increase in cash	204,144
Cash at beginning of year	<u>388,746</u>
Cash at end of year	<u>\$592,890</u>

The accompanying notes are an integral part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS  
WOMEN 4 WOMEN, INC.  
DECEMBER 31, 2007**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Women 4 Women, Inc. (W4W) is a non-profit organization incorporated in 1993 and located in Louisville, Kentucky. It is led by women who believe that a core strength of our society rests on the contributions of women and when women do better, our schools do better, our businesses do better and ultimately the whole community does better.

W4W's vision is that someday Louisville will be considered one of the best places for girls, women and their families to live and work. This vision guides the organization's mission, which is dedicated to improving the health and economic well-being of women and girls by increasing awareness, expanding resources and creating solutions to strengthen our community.

W4W's strategy is to bring together a city of champions for women and girls through partnerships, financial support and programs. The program of work is called "4 Bold Goals, Bold Solutions" and is made up of the following activities:

1. **IMPROVING HEALTH:** Anthem Blue Cross & Blue Shield Foundation Fit 4 Me Program is an after school program managed by W4W for underserved middle school girls designed to improve the health status and self-esteem by encouraging healthy lifestyle habits taught in health and nutrition lessons along with physical fitness activity led by University of Louisville student athletes who serve as role models.

Additional community support and partners who are collaborating in this pilot effort include: Anthem Blue Cross & Blue Shield of Kentucky, Bellarmine School of Nursing, University of Louisville Athletic Department, University of Louisville College of Education and Human Development, and Jefferson County Public Schools such as; Iroquois Middle School, Farnsley Middle School, and Stuart Middle School.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. **IMPROVING ECONOMIC WELL-BEING:** W4W in partnership with the University of Louisville and Spalding University created Finance 4 Her to teach women how to develop a personal financial plan and create methods of savings to build their assets. After a participant completes the program, they are matched with volunteer financial education coaches to further their learning and connect them to additional resources.

This program has broad community support and additional partners who collaborate in this effort. These partners include: Center for Women & Families, Community Action Partnership, Federal Reserve Bank of St. Louis – Louisville Branch, Habitat for Humanity, The Healing Place, Housing Partnership Inc., Jefferson County Public Schools, Junior Achievement, Louisville Free Public Library, Metro Louisville Housing & Family Services, Metro United Way, National Center for Family Literacy, National Endowment for Financial Education, New Directions and Project Women.

3. **CONNECTING WOMEN:** Connections 4 Her is a way of doing business at W4W and permeates every program and our daily operations. Our goal was to make 3000 connections by 2007 and we have reached that goal by connecting women to each other and to resources and organizations to organizations.
4. **EXPANDING RESOURCES:** W4W established The Fund 4 Women and Girls in partnership with The Community Foundation of Louisville to build a \$10 million fund by 2010. The Fund will ensure a sustainable revenue stream to expand much needed programs, launch new ideas and create community-led solutions for women and girls.

### **Basis of Accounting**

The financial statements of W4W have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

## NOTES TO FINANCIAL STATEMENTS – CONTINUED

### **Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, W4W 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.

### **Estimates**

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

### **Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Management currently deems all promises to give as collectable.

### **Fund 4 Women and Girls**

W4W established The Fund 4 Women and Girls in partnership with The Community Foundation of Louisville to build a \$10 million fund by 2010. The assets of the fund are not included in the financial statements because they are not in W4W's possession or control. The market value of the fund and distributions of income (that are included as contributions in the Statements of Activities) are as follows:

Market value	<u>\$192,387</u>
Available for distribution	<u>\$ 12,467</u>

Promises to give to this fund as of December 31, 2007 are \$740,574.

## **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 Statement of Activities as net assets released from restrictions.

### **Functional Allocation of Expenses**

The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Payroll**

The Community Foundation of Louisville is the employer of record for W4W staff. All salaries and benefits are paid by the Community Foundation of Louisville and reimbursed by W4W.

### **Income Tax Status**

W4W is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. W4W qualified for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

### **Equipment**

Donations of equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The cost of equipment purchased in excess of \$500 is capitalized. Equipment is depreciated using the straight-line method over the estimated useful lives of the related assets.

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 2. CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS**

W4W maintains its cash balances in several financial institutions in Louisville, Kentucky. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At various times during the year, the cash balances exceed amounts federally insured. Statement of Financial Accounting Standards No. 105 identifies this as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

**NOTE 3. PROMISES TO GIVE**

Unconditional promises to give consist of the following:

Grants and contributions	<u>\$292,600</u>
Receivable in less than one year	\$179,035
Receivable in one to five years	<u>113,565</u>
Total unconditional promises to give	292,600
Less discounts to net present value	<u>(5,724)</u>
Net unconditional promises to give	<u>\$286,876</u>

Promises to give receivable in more than one year are discounted at 5%.

**NOTE 4. EQUIPMENT**

At December 31, 2007, the cost and accumulated depreciation of such assets were as follows:

Computer hardware	\$11,829
Computer software	<u>4,457</u>
Total costs	16,286
Less accumulated depreciation	<u>8,845</u>
Total equipment, net	<u>\$ 7,441</u>

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**NOTE 5. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available as follows:

Programs	\$166,639
Fit 4 Me	290,414
Finance 4 Her	1,385
Champions 4 Her	32,679
Golf scramble	<u>10,000</u>
Total	<u>\$501,117</u>

**NOTE 6. LEASE COMMITMENT**

W4W conducts its operations in leased facilities classified as an operating lease. The lease is month-to-month. The rent expense for the year ended December 31, 2007 was \$6,046.

**NOTE 7. RETIREMENT PLAN**

W4W contributes 8% of eligible employee compensation to a retirement plan. Contributions for the year ended December 31, 2007 were \$6,644. Employees may also voluntarily contribute to a 403(b) plan.

**NOTE 8. IN-KIND DONATIONS**

W4W records various types of in-kind support. Contributed in-kind support is recognized in accordance with the Statement of Financial Accounting Standards No. 116, "Accounting for Contributions Received and Contributions Made." This pronouncement requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In 2007 \$39,900 of professional services were recognized. Volunteers also provide countless hours of assistance.