

FINANCIAL STATEMENTS

**NEW RULES FOR GLOBAL
FINANCE COALITION**

**FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2009**

NEW RULES FOR GLOBAL FINANCE COALITION

CONTENTS

	PAGE NO.
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	2
EXHIBIT A - Statement of Financial Position, as of December 31, 2010, with Summarized Financial Information for 2009	3
EXHIBIT B - Statement of Activities and Change in Net Assets, for the Year Ended December 31, 2010, with Summarized Financial Information for 2009	4
EXHIBIT C - Statement of Functional Expenses, for the Year Ended December 31, 2010, with Summarized Financial Information for 2009	5
EXHIBIT D - Statement of Cash Flows, for the Year Ended December 31, 2010, with Summarized Financial Information for 2009	6
NOTES TO FINANCIAL STATEMENTS	7 - 9



GELMAN, ROSENBERG & FREEDMAN
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
New Rules for Global Finance Coalition
Washington, D.C.

We have reviewed the accompanying statement of financial position of New Rules for Global Finance Coalition (New Rules) as of December 31, 2010, and the related statements of activities and change in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion. The prior year summarized comparative information has been derived from New Rules' 2009 financial statements and, in our report dated September 9, 2010, we stated that we were not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Gelman Rosenberg & Freedman

November 9, 2011

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MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

NEW RULES FOR GLOBAL FINANCE COALITION
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

ASSETS		<u>2010</u>	<u>2009</u>
CURRENT ASSETS			
Cash and cash equivalents	\$	15,299	\$ 15,705
Accounts receivable		2,256	4,488
Grants receivable		103,675	69,661
Prepaid expenses		<u>-</u>	<u>2,480</u>
TOTAL ASSETS	\$	<u>121,230</u>	\$ <u>92,334</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Note payable	\$	-	\$ 10,000
Accounts payable and accrued liabilities		<u>824</u>	<u>9,184</u>
Total current liabilities		<u>824</u>	<u>19,184</u>
NET ASSETS			
Unrestricted		20,406	35,863
Temporarily restricted (Note 2)		<u>100,000</u>	<u>37,287</u>
Total net assets		<u>120,406</u>	<u>73,150</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u>121,230</u>	\$ <u>92,334</u>

NEW RULES FOR GLOBAL FINANCE COALITION
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	<u>2010</u>			<u>2009</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUE				
Contributions (Note 5)	\$ 73,798	\$ -	\$ 73,798	\$ 130,238
Foundation grants	-	230,000	230,000	130,000
Foreign government grants	-	1,388	1,388	38,511
Interest income	281	-	281	660
Other revenue	-	-	-	2,457
Net assets released from donor restrictions (Note 3)	<u>168,675</u>	<u>(168,675)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>242,754</u>	<u>62,713</u>	<u>305,467</u>	<u>301,866</u>
EXPENSES				
Program Services	<u>206,231</u>	<u>-</u>	<u>206,231</u>	<u>281,124</u>
Supporting Services:				
General and Administrative	43,754	-	43,754	47,249
Fundraising	<u>8,226</u>	<u>-</u>	<u>8,226</u>	<u>15,937</u>
Total supporting services	<u>51,980</u>	<u>-</u>	<u>51,980</u>	<u>63,186</u>
Total expenses	<u>258,211</u>	<u>-</u>	<u>258,211</u>	<u>344,310</u>
Change in net assets	(15,457)	62,713	47,256	(42,444)
Net assets at beginning of year	<u>35,863</u>	<u>37,287</u>	<u>73,150</u>	<u>115,594</u>
NET ASSETS AT END OF YEAR	<u>\$ 20,406</u>	<u>\$ 100,000</u>	<u>\$ 120,406</u>	<u>\$ 73,150</u>

NEW RULES FOR GLOBAL FINANCE COALITION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	2010				2009	
	Supporting Services			Total Supporting Services	Total Expenses	Total Expenses
	Program Services	General and Administrative	Fundraising			
Salaries	\$ 94,617	\$ 14,643	\$ 3,379	\$ 18,022	\$112,639	\$110,924
Payroll taxes	8,054	1,246	288	1,534	9,588	9,007
Benefits	1,445	224	52	276	1,721	6,759
Professional fees	-	11,475	-	11,475	11,475	6,614
Occupancy (Note 4)	18,648	2,886	666	3,552	22,200	21,514
Telephone	7,129	1,103	255	1,358	8,487	3,730
Travel	37,917	1,704	-	1,704	39,621	40,296
Consulting fees	32,081	5,433	3,360	8,793	40,874	130,907
Postage and delivery	213	33	8	41	254	721
Supplies	917	142	33	175	1,092	2,172
Subscriptions and publications	4,889	757	175	932	5,821	610
Meetings	29	342	-	342	371	6,828
Printing	-	-	-	-	-	12
Registration fees	-	1,167	-	1,167	1,167	270
Bank fees	-	1,651	-	1,651	1,651	1,179
Insurance	-	903	-	903	903	2,550
Miscellaneous	292	45	10	55	347	217
TOTAL	\$ 206,231	\$ 43,754	\$ 8,226	\$ 51,980	\$258,211	\$344,310

NEW RULES FOR GLOBAL FINANCE COALITION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 47,256	\$ (42,444)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in:		
Accounts receivable	2,232	(4,488)
Grants receivable	(34,014)	40,339
Prepaid expenses	2,480	(2,480)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(8,360)	(4,644)
Deferred revenue	-	(2,160)
Held for others - MTAYA	-	(11,225)
Net cash provided (used) by operating activities	<u>9,594</u>	<u>(27,102)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Note payable	<u>(10,000)</u>	<u>-</u>
Net cash used by financing activities	<u>(10,000)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(406)	(27,102)
Cash and cash equivalents at beginning of year	<u>15,705</u>	<u>42,807</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 15,299</u>	<u>\$ 15,705</u>

NEW RULES FOR GLOBAL FINANCE COALITION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

New Rules for Global Finance Coalition (New Rules), a non-profit organization, located in Washington D.C., is a coalition of development, human rights, labor, environmental, and religious organizations and scholars dedicated to the reform of the global financial architecture in order to stabilize the world economy, reduce poverty and inequality, uphold fundamental rights, and protect the environment.

Basis of presentation -

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

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with New Rules' financial statements for the year ended December 31, 2009, from which the summarized information was derived.

Cash and cash equivalents -

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

At times during the year, New Rules maintains cash balances at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Accounts and grants receivable -

Accounts and grants receivable are stated at their fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Income taxes -

New Rules 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. New Rules is not a private foundation.

Uncertain tax positions -

In June 2006, the Financial Accounting Standards Board (FASB) released FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes. For the year ended December 31, 2010, New Rules has documented its consideration of FASB ASC 740-10 and 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.

NEW RULES FOR GLOBAL FINANCE COALITION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2010

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 New Rules 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 New Rules and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions.

Contributions and grants -

Contributions and grants are recorded as revenue in the year notification is received from the donor. 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. Contributions and grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

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 Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2010:

Time Restricted	<u>\$ 100,000</u>
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NEW RULES FOR GLOBAL FINANCE COALITION

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

3. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time), which satisfied the restricted purposes specified by the donors:

Democratic Governance of International Financial Institutions	\$ 30,000
South-South Sharing of Successful Tax Practices	38,675
Passage of Time	<u>100,000</u>
	<u>\$ 168,675</u>

4. LEASE COMMITMENT

On October 24, 2008, New Rules entered into an operating lease for office space in Washington, D.C., which operates on a month-to-month basis at \$1,850 per month. Rent expense for the year ended December 31, 2010 totaled \$22,200.

5. RELATED PARTIES

During the year ended December 31, 2010, the Executive Director's spouse contributed \$2,000 to New Rules.

6. SUBSEQUENT EVENTS

In preparing these financial statements, New Rules has evaluated events and transactions for potential recognition or disclosure through November 9, 2011, the date the financial statements were issued.