

NATIONAL WOMEN'S HEALTH NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2017

KRONZEK, FISHER & LOPEZ, PLLC
Certified Public Accountants

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KRONZEK, FISHER & LOPEZ, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
607 2ND STREET, NE
WASHINGTON, DC 20002-4909
TEL: (202) 547-CPAS (2727) FAX: (202) 547-2728
www.cpakfl.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of National Women's Health Network
Washington, DC

We have audited the accompanying financial statements of the National Women's Health Network (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's 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

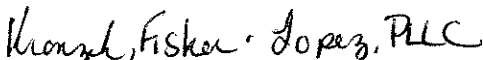
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the National Women's Health Network as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


KRONZEK, FISHER & LOPEZ, PLLC
Certified Public Accountants

Washington, DC
May 9, 2018

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	563,168
Investments		6,667
Receivables		195,795
Prepaid expenses		2,180
		<u>767,810</u>

PROPERTY AND EQUIPMENT

Furniture, fixtures, equipment		67,944
Less: accumulated depreciation		<u>62,428</u>
		5,516

OTHER ASSETS

Receivables (net of current)		69,143
Deposits		5,305
		<u>74,448</u>

TOTAL ASSETS

\$ 847,774

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$	43,773
Deposits payable		1,600
Deferred revenue		1,640
		<u>47,013</u>

TOTAL LIABILITIES

47,013

NET ASSETS

Unrestricted		505,606
Temporarily restricted - Intern Fund	51,839	
- Other	<u>243,316</u>	<u>295,155</u>
		<u>800,761</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 847,774

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Membership			
New Members	\$ 4,473	\$ -	\$ 4,473
Acquisitions	23,931	-	23,931
Renewals	195,860	-	195,860
Donations	102,868	-	102,868
Total Membership	327,132	-	327,132
Grants	75,000	355,250	430,250
Donations	288,310	-	288,310
Sponsored projects - grants & donations	-	315,507	315,507
On-line In Kind	102,481	-	102,481
Combined Federal Campaign	905	-	905
Board fundraising	10,995	-	10,995
Special events - revenue	39,775	-	39,775
- expenses	17,413	-	17,413
Royalties & honorarium	4,313	-	4,313
Investment income (loss)	347	5	352
Other income	41,848	-	41,848
	873,693	670,762	1,544,455
Net assets released from:			
Satisfaction of program restrictions	566,191	(566,191)	-
Total revenue	1,439,884	104,571	1,544,455
EXPENSES			
Program Services			
Member Services	316,572	-	316,572
Health Policy Activities	499,230	-	499,230
Raising Women's Voices	345,648	-	345,648
Communications	246,260	-	246,260
Total program expenses	1,407,710	-	1,407,710
Support Services			
Board	23,222	-	23,222
Administrative	58,428	-	58,428
Fundraising	77,582	-	77,582
Total support services	159,232	-	159,232
Total expenses	1,566,942	-	1,566,942
CHANGE IN NET ASSETS	(127,058)	104,571	(22,487)
Beginning net assets	632,664	190,584	823,248
Ending net assets	\$ 505,606	\$ 295,155	\$ 800,761

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Member Services	Health Policy Activities	Raising Women's Voices	Communications	Total Program	Board	Admin.	Fdrsg.	Total Expenses
Salaries	\$ 83,878	\$ 100,423	\$ 115,700	\$ 66,590	\$ 366,591	\$ 3,869	\$ 14,361	\$ 7,494	\$ 392,315
Payroll taxes & benefits	16,131	40,827	18,681	15,397	91,036	439	2,370	2,332	96,177
Consultants	35,007	3,421	968	821	40,217	90	18,735	31,599	90,641
Legal & accounting	-	-	-	-	-	-	78,121	-	78,121
Intern stipends	2,818	11,772	-	6,178	20,768	-	-	2,820	23,588
Advertising	-	-	115	102,571	102,686	-	25	-	102,711
Bank & credit charges	4,874	30	-	-	4,904	-	549	-	5,453
Board travel, mtgs, elections	-	-	-	-	-	11,735	-	-	11,735
Conferences & meetings	-	1,196	1,452	-	2,648	-	-	-	2,648
Postage & delivery	32,490	4,684	586	-	37,760	158	2,387	5,031	45,336
Equipment rental & maintenance	-	-	-	-	-	-	28,840	-	28,840
Insurance	-	-	-	-	-	2,745	2,631	-	5,376
Mailhouse & storage	5,577	4,865	-	-	10,442	-	-	13,816	24,258
Database	8,782	-	-	1,271	10,053	-	-	-	10,053
List rental	7,701	-	-	-	7,701	-	-	-	7,701
Internet & web site	30	-	892	11,017	11,939	-	9,613	-	21,552
Printing	37,485	13,072	191	210	50,958	-	1,463	7,167	59,588
Rent	-	-	-	-	-	-	83,542	-	83,542
Subscriptions, dues & regist.	840	1,250	-	213	2,303	120	3,964	431	6,818
Supplies	12	214	180	283	689	-	31	117	837
Telephone & utilities	-	135	555	-	690	536	11,232	-	12,458
Travel	63	5,431	15,760	14	21,268	1,209	56	-	22,533
Bold Action Projects	-	235,270	-	-	235,270	-	-	-	235,270
RWW grant disbursements	-	-	120,500	-	120,500	-	-	-	120,500
PCARR	-	31,921	-	-	31,921	-	-	-	31,921
State registration fees	4,259	-	-	-	4,259	-	-	-	4,259
Depreciation & amortization	25,993	-	-	-	25,993	-	9,864	-	35,857
Interest expense	442	-	-	-	442	-	-	-	442
Staff development & misc. exp.	-	48	147	48	243	-	5,474	695	6,412
Total Direct expenses	266,382	454,559	275,727	204,613	1,201,281	20,901	273,258	71,502	1,566,942
Indirect costs	50,190	44,671	69,921	41,647	206,429	2,321	(214,830)	6,080	-
Total expenses	\$ 316,572	\$ 499,230	\$ 345,648	\$ 246,260	\$ 1,407,710	\$ 23,222	\$ 58,428	\$ 77,582	\$ 1,566,942

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash flows from operating activities:	
Cash received from grants & donations	\$ 869,310
Cash received from membership dues	327,132
Cash received from other activities	71,763
Interest income	719
Cash paid to employees and vendors	<u>(1,412,355)</u>
Net cash used by operating activities	(143,431)
Cash flows from investing activities:	
Sale of donated stock	<u>36,049</u>
Net cash provided by investing activities	36,049
Cash flows from financing activities:	
Net repayments	<u>(25,587)</u>
Net decrease in cash and cash equivalents	(132,969)
Cash and cash equivalents - January 1, 2017	<u>696,137</u>
Cash and cash equivalents - December 31, 2017	<u><u>\$ 563,168</u></u>
Reconciliation of decrease in net assets to net cash used by operating activities:	
Decrease in net assets	\$ (22,487)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation & amortization	35,857
Net realized/unrealized (gain)/loss on investments	367
Donated stock	(37,529)
Changes in assets and liabilities:	
Increase in receivables	(139,128)
Increase in prepaid expenses	(1,805)
Increase in accounts payable & accrued expenses	18,054
Increase in deposits payable	1,600
Increase in deferred revenue	<u>1,640</u>
Net cash used operating activities	<u><u>\$ (143,431)</u></u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - ORGANIZATION

National Women's Health Network was organized in 1976 in the District of Columbia. The Network was organized for the purpose of gathering, developing and disseminating information on issues concerning women and health. The Network is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is publicly supported under the IRC Section 170(b)(1)(A)(vi).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America for not-for-profit organizations.

Basis of Presentation – The financial statement presentation follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205. The Organization 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.

Revenue Recognition – Grants and contributions are recognized when an unconditional grant or contribution has been awarded, or when the organization has satisfied the requirements of the condition. Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence of any donor restrictions.

Unrestricted grants & contributions are recognized in the unrestricted fund when awarded. Grants and contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets. When the provisions of the restriction have been met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The organization had no permanently restricted grants

Membership dues are recognized as revenue when received since they are in effect contributions and the organization does not incur a liability for future services associated with the received membership dues.

Cash and Cash Equivalents – The organization considers cash equivalents to be highly liquid investments with original maturities at time of purchase of 90 days or less.

Property, equipment and website – Property, equipment and website are recorded at cost. Depreciation is determined by the straight-line method based on an estimated useful life of three to five years.

Intangible Assets – Intangible assets consist of costs related to the design and development of the organization's website, net of accumulated amortization. The website is being amortized over an estimated useful life of three years. Costs associated with maintaining the website will be expensed as incurred.

Investments- The Network reports under ASC 320 Investments Debt & Equity Securities. Under ASC 320 investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values and all investments in debt securities are reported at their values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Fair Value of Financial Instruments - The financial instruments of the organization are reported on the statement of financial position at market or fair values, or at carrying amounts that approximate fair values because of the short maturity of the instruments. See Note 8 for a description of financial instruments carried at fair value.

NATIONAL WOMEN'S HEALTH NETWORK
 NOTES TO THE FINANCIAL STATEMENTS (CONT)

DECEMBER 31, 2017

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Allocation of joint costs - The organization allocates joint costs of programs that contain both education and fundraising purposes. In 2017, the Network incurred joint costs of \$62,237 for informational materials and activities that included fundraising appeals. Of these costs \$39,616 were allocated to fundraising and \$22,621 were allocated to member services. The allocation was based on the target of their mailings as well as their percentage content of the text deemed to be education oriented or fundraising oriented and the related call to action in the mailings.

NOTE 3 - CHARITABLE TRUST RECEIVABLE (INCLUDED IN RECEIVABLES)

The charitable trust receivable as of December 31, 2017 is shown below at the present value of the estimated future cash flows using Treasury bill rates for similar term investments. As permitted by FASB ASC 958, the organization recognizes receivables expected to be collected within one year at net realizable value without discounting them to present value.

The applicable rate at December 31, 2017 was 2.00%.

Receivable expected to be collected in second year	\$ 7,142
Receivable expected to be collected in three to twelve	<u>71,429</u>
	78,571
Less: Discount to net present value	<u>(9,428)</u>
Net charitable trust receivable – long term	\$69,143

NOTE 4 - RETIREMENT PLANS

The Network contributes 3% of all eligible employees salaries to a 403(b) plan. The Network's pension expense for 2017 was \$7,992.

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets – Intern Fund are available for the following purpose:

Eunice Corfman Internship Fund \$ 51,839 *

* Interest earned from this money is to be used for the Internship Program.

The Network has the following other Temporarily Restricted Net Assets.

Raising Women's Voices	\$ 195,000
Bold Action Project	47,237
PCARR	<u>1,079</u>
TOTAL	\$ 243,316

NATIONAL WOMEN'S HEALTH NETWORK
NOTES TO THE FINANCIAL STATEMENTS (CONT)
DECEMBER 31, 2017

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose of time restrictions specified by donors as follows:

Purpose restriction accomplished:

Raising Women's Voices	\$294,000
Communications	5,000
Maryland Women's Coalition for Healthcare Reform	235,270
PCARR	<u>31,921</u>
 Total	 \$566,191

NOTE 6 – COMMITMENTS AND CONTINGENCIES

In August 2008, the Network signed a lease for office space at 1413 K Street, NW 4th Floor, Washington DC 20005. The lease term began in February 2009 and will end February 2019. Annual increases in the base rent will be 2.5%. The future minimum lease payments are as follows –

For the year ending

December 31, 2018	\$79,339
December 31, 2019	20,207

In addition, the Network rents a copier under a 60-month lease which expires in August 2022. The lease results in commitments of \$5,268 for years 2018 through 2021 and \$3,073 in 2022.

The Network also rents mail machine equipment under a 60-month lease which expires in February 2019. The lease results in commitments of \$3,487 for 2018 and \$291 in 2019.

NOTE 7 – IN-KIND CONTRIBUTIONS

The Network receives in-kind donations of on-line advertising based on the number of times the ads are clicked on websites. The in-kind contributions and expense of \$102,481 are included in the financial statements as income and advertising expense.

NOTE 8 – FAIR VALUE MEASUREMENTS

The organization follows FASB ASC 820-10 for financial assets (and liabilities) measured on a recurring basis, as amended. FASB ASC 820-10 clarifies fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. FASB ASC 820-10 emphasizes that fair value is a market based measurement, not an entity-specific measurement, and therefore, a fair value measurement should be determined based on the

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONT)

DECEMBER 31, 2017

NOTE 8 – FAIR VALUE MEASUREMENTS (CONTINUED)

assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, FASB ASC 820-10 established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby the market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances. The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 – inputs based on quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset and liability, either directly or indirectly, through corroboration with observable market data (market corroborated inputs).

Level 3 – unobservable inputs for the asset or liability including inputs that reflect the reporting entity's own assumptions in determining the fair value measurements.

The following table summarizes the Organization's assets and liabilities measured at fair value on a recurring basis as of December 31, 2017:

<u>Assets Measured at Fair Value</u>		Quoted Prices in Active Markets for Identical (Level 1)
<u>Description</u>	<u>Fair Value</u>	
Mutual Funds/Stocks	\$ 6,667	\$ 6,667

The Organization used the following methods and significant assumptions to estimate fair value for assets and liabilities recorded at fair value.

Mutual Funds & stocks are measured using quoted market prices for identical assets in active markets.

NOTE 9 – INCOME TAXES

The organization is exempt from income taxes under Internal Revenue Code 501 (c) (3) and applicable DC statutes. No provision for income taxes is required at December 31, 2017, as the Organization had no net unrelated business income.

The organization follows FASB ASC 740 Income Taxes, the authoritative guidance relating to accounting for uncertainty in income taxes. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a

NATIONAL WOMEN'S HEALTH NETWORK
NOTES TO THE FINANCIAL STATEMENTS (CONT)

DECEMBER 31, 2017

NOTE 9 – INCOME TAXES (CONTINUED)

tax return. The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2017, and determined that there were no matters that would require recognition in the financial statements or which may have any effect on its tax-exempt status. As of December 31, 2017, the statute of limitations for tax years 2014 through 2016 remains open with federal and DC authorities.

NOTE 10 - CONCENTRATION OF CREDIT RISK

The organization periodically exceeds cash balances in excess of \$250,000 in accounts, which are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2017, the organization's cash balance in excess of FDIC insurance totaled \$70,644.

NOTE 11 – PROGRAM SERVICES

Member Services - NWHN members receive newsletters, fact sheets, electronic updates, invitations to participate in advocacy campaign to improve women's health and periodic informational mailings. NWHN members have priority access to Women's Health Voice.

Health Policy Activities – NWHN's current policy advocacy campaigns are Raising Women's Voices for Health Care We Need, Challenging Dangerous Drugs and Devices, and Securing the Sexual and Reproductive Health and Autonomy of all Women. NWHN campaigns impact policy through education, outreach, policy recommendations and mobilizing grassroots engagement.

Raising Women's Voices for the Health Care We Need – A national project working to make sure women's voices are heard in the health reform debate and women's concerns are addressed by policymakers developing national and state health reform plans. Raising Women's Voices is a collaborative project created by the National Women's Health Network, the Women's Health Program of Community Catalyst and the Black Women's Health Imperative.

Communications (Developing Leaders) – The NWHN teaches young leaders how to make a critical analysis of health issues, and how to research and communicate evidence-based information. Each participant spends a semester at the NWHN.

NOTE 12– SUBSEQUENT EVENTS

The organization's management has evaluated subsequent events through May 9, 2018, the date the financial statements were available to be issued. There were no subsequent events identified through May 9, 2018 that require disclosure in these financial statements.