

**NATIONAL WOMEN'S HEALTH NETWORK**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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**KRONZEK, FISHER & LOPEZ, PLLC**  
*Certified Public Accountants*

NATIONAL WOMEN'S HEALTH NETWORK

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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, 2018 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, 2018, 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 13, 2019

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 619,125
Investments	6,493
Receivables	154,960
Prepaid expenses	5,137
	<u>785,715</u>

PROPERTY AND EQUIPMENT

Furniture, fixtures, equipment	83,802
Leasehold improvements	11,612
	<u>95,414</u>
Less: accumulated depreciation & amortization	69,674
	<u>25,740</u>

OTHER ASSETS

Receivables (net of current)	63,571
Deposits	5,305
	<u>68,876</u>

TOTAL ASSETS

\$ 880,331

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 60,523
Deposits payable	800
	<u>61,323</u>

TOTAL LIABILITIES

61,323

NET ASSETS

Without donor restrictions		467,372
With donor restrictions - Intern Fund	51,844	
- Other	299,792	
	<u>299,792</u>	<u>351,636</u>
		<u>819,008</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 880,331

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Membership			
New Members	\$ 3,783	\$ -	\$ 3,783
Acquisitions	13,834	-	13,834
Renewals	190,984	-	190,984
Donations	110,360	-	110,360
Total Membership	<u>318,961</u>	<u>-</u>	<u>318,961</u>
Grants	168,333	340,000	508,333
Donations	248,625	22,324	270,949
Sponsored projects - grants & donations	-	246,846	246,846
On-line In Kind	37,084	-	37,084
Combined Federal Campaign	3,352	-	3,352
Board fundraising	10,976	-	10,976
Special events - revenue	43,832		
- expenses	<u>18,497</u>		
Royalties & honorarium	2,659	-	2,659
Investment income (loss)	1,666	5	1,671
Other income	40,221	-	40,221
	<u>857,212</u>	<u>609,175</u>	<u>1,466,387</u>
Net assets released from:			
Satisfaction of program restrictions	552,694	(552,694)	-
Total revenue	<u>1,409,906</u>	<u>56,481</u>	<u>1,466,387</u>
<b>EXPENSES</b>			
Program Services			
Member Services	316,115	-	316,115
Health Policy Activities	473,267	-	473,267
Raising Women's Voices	331,679	-	331,679
Communications	194,018	-	194,018
Total program expenses	<u>1,315,079</u>	<u>-</u>	<u>1,315,079</u>
Support Services			
Board	32,084	-	32,084
Administrative	30,479	-	30,479
Fundraising	70,498	-	70,498
Total support services	<u>133,061</u>	<u>-</u>	<u>133,061</u>
Total expenses	<u>1,448,140</u>	<u>-</u>	<u>1,448,140</u>
CHANGE IN NET ASSETS (DEFICIT)	(38,234)	56,481	18,247
Beginning net assets	<u>505,606</u>	<u>295,155</u>	<u>800,761</u>
Ending net assets	<u>\$ 467,372</u>	<u>\$ 351,636</u>	<u>\$ 819,008</u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Member Services	Health Policy Activities	Raising Women's Voices	Communications	Total Program	Board	Admin.	Fdrsg.	Total Expenses
Salaries	\$ 87,368	\$ 104,216	\$ 128,649	\$ 72,106	\$ 392,339	\$ 6,114	\$ 11,043	\$ 2,267	\$ 411,763
Payroll taxes & benefits	20,503	24,408	30,268	17,574	92,753	976	2,928	437	97,094
Consultants	33,732	12,726	166	4,198	50,822	285	18,060	25,040	94,207
Legal & accounting	-	-	-	-	-	-	75,878	-	75,878
Intern stipends	7,162	16,121	-	8,001	31,284	-	-	-	31,284
Advertising	-	-	-	38,157	38,157	-	-	50	38,207
Bank & credit charges	5,663	-	-	-	5,663	25	874	-	6,562
Board travel, mtgs, elections	-	-	-	-	-	17,945	-	-	17,945
Conferences & meetings	7	1,127	8,854	-	9,988	-	-	349	10,337
Postage & delivery	28,381	4,262	61	-	32,704	175	2,425	11,484	46,788
Equipment rental & maintenance	-	-	-	-	-	-	30,159	-	30,159
Insurance	-	-	-	-	-	2,745	2,651	-	5,396
Mailhouse & storage	14,206	7,497	-	-	21,703	-	-	7,688	29,391
Database	11,862	-	-	-	11,862	-	-	-	11,862
List rental	7,521	-	-	-	7,521	-	-	2,421	9,942
Internet & web site	-	40	-	6,883	6,923	-	12,035	-	18,958
Printing	40,778	4,105	-	439	45,322	-	1,510	16,702	63,534
Rent	-	-	-	-	-	-	86,186	-	86,186
Subscriptions, dues & regist.	1,054	1,498	825	144	3,521	-	1,074	-	4,595
Supplies	85	57	42	174	358	5	3,009	-	3,372
Telephone & utilities	-	17	1,682	906	2,605	201	7,118	-	9,924
Travel	-	2,211	18,146	-	20,357	84	446	29	20,916
Bold Action Projects	-	194,239	-	-	194,239	-	-	-	194,239
RWW & URE grant disbursements	-	15,000	66,250	-	81,250	-	-	-	81,250
PCARR	-	33,455	-	-	33,455	-	-	-	33,455
State registration fees	3,768	-	-	-	3,768	-	-	-	3,768
Depreciation & amortization	1,430	3,440	-	1,180	6,050	-	752	112	6,914
Staff development & misc. exp.	-	405	211	998	1,614	-	2,600	-	4,214
Total Direct expenses	263,520	424,824	255,154	150,760	1,094,258	28,555	258,748	\$66,579	\$1,448,140
Indirect costs	52,595	48,443	76,525	43,258	220,821	3,529	(228,269)	3,919	-
Total expenses	\$ 316,115	\$ 473,267	\$ 331,679	\$ 194,018	\$ 1,315,079	\$ 32,084	\$ 30,479	\$ 70,498	\$ 1,448,140

NATIONAL WOMEN'S HEALTH NETWORK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash flows from operating activities:	
Cash received from grants & donations	\$ 1,061,504
Cash received from membership dues	318,961
Cash received from other activities	65,775
Interest income	2,941
Cash paid to employees and vendors	<u>(1,390,349)</u>
Net cash provided by operating activities	58,832
Cash flows from investing activities:	
Purchase of fixed assets & leasehold improvements	(27,139)
Sale of donated stock	<u>24,264</u>
Net cash used by investing activities	(2,875)
Net increase in cash and cash equivalents	55,957
Cash and cash equivalents - January 1, 2018	<u>563,168</u>
Cash and cash equivalents - December 31, 2018	<u><u>\$ 619,125</u></u>
Reconciliation of increase in net assets to net cash provided by operating activities:	
Increase in net assets	\$ 18,247
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation & amortization	6,914
Net realized/unrealized (gain)/loss on investments	2,613
Reinvested investment income	(1,343)
Donated stock	(25,359)
Changes in assets and liabilities:	
Decrease in receivables	46,407
Increase in prepaid expenses	(2,957)
Increase in accounts payable & accrued expenses	16,750
Decrease in deposits payable	(800)
Decrease in deferred revenue	<u>(1,640)</u>
Net cash provided operating activities	<u><u>\$ 58,832</u></u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

**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**

Change in Accounting Principle – In August 2016, the FASB issued ASU 2016-14, Presentation of Financial Statements for Not-For-Profit Entities, which requires not-for-profit entities to revise the financial presentation to include: net asset classifications, provide quantitative and qualitative information as to available resources and management of liquidity and liquidity risk, information on investment expenses and returns, and the presentation of operating cash flows. The standard aims to help the reader of the financial statements to better understand the financial position of the organization and enhance consistency among similar organization. The organization adopted the new standard as of December 31, 2018, and there were no material changes to the statement of financial position, activities or cash flows as a result of the adoption.

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.

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 with donor restrictions or without donor restrictions depending on the existence of any donor restrictions.

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.

Net Assets – Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantors) restrictions.

*Net Asset With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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.



NATIONAL WOMEN'S HEALTH NETWORK  
 NOTES TO THE FINANCIAL STATEMENTS (CONT)  
 DECEMBER 31, 2018

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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 2018, the Network incurred joint costs of \$65,721 for informational materials and activities that included fundraising appeals. Of these costs \$50,016 were allocated to fundraising and \$15,705 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, 2018 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, 2018 was 2.00%.

Receivable expected to be collected in second year	\$ 7,142
Receivable expected to be collected in three to twelve	<u>64,286</u>
	71,428
Less: Discount to net present value	<u>(7,857)</u>
Net charitable trust receivable – long term	\$63,571

**NOTE 4 - RETIREMENT PLANS**

The Network contributes 3% of all eligible employees salaries to a 403(b) plan. The Network's pension expense for 2018 was \$10,978.

NATIONAL WOMEN'S HEALTH NETWORK  
 NOTES TO THE FINANCIAL STATEMENTS (CONT)  
 DECEMBER 31, 2018

**NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS**

Net Assets With Donor Restrictions – Intern Fund are available for the following purpose:

Eunice Corfman Internship Fund      \$ 51,844 \*

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

The Network has the following other Net Assets With Donor Restrictions.

Raising Women's Voices	\$ 210,000
Succession plan	22,324
Bold Actions Project	66,844
PCARR	<u>624</u>
<b>TOTAL</b>	<b>\$ 299,792</b>

Net Assets With Donor Restrictions – Other 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	\$305,000
Communications	5,000
General Policy	15,000
Bold Actions Project	194,239
PCARR	<u>33,455</u>
<b>Total</b>	<b>\$552,694</b>

**NOTE 6 - COMMITMENTS AND CONTINGENCIES**

In August 2008, the Network signed a lease for office space at 1413 K Street, NW 4<sup>th</sup> 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

The Network did renew their office space lease effective July 23, 2018 for a term of 10 years and 5 months beginning February 1, 2019 and expiring on June 30, 2029. The first ten months of the lease payments will be abated 50%.

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.

NATIONAL WOMEN'S HEALTH NETWORK  
NOTES TO THE FINANCIAL STATEMENTS (CONT)  
DECEMBER 31, 2018

**NOTE 6 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

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 \$37,084 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 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, 2018:

<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	\$ 6,493	\$ 6,493

NATIONAL WOMEN'S HEALTH NETWORK  
NOTES TO THE FINANCIAL STATEMENTS (CONT)  
DECEMBER 31, 2018

**NOTE 8 – FAIR VALUE MEASUREMENTS (CONTINUED)**

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, 2018, 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 tax return. The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2018, 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 2015 through 2017 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, 2018, the organization's cash balance in excess of FDIC insurance totaled \$52,339.

**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.

NATIONAL WOMEN'S HEALTH NETWORK  
NOTES TO THE FINANCIAL STATEMENTS (CONT)  
DECEMBER 31, 2018

**NOTE 12 - LIQUIDITY**

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets, at year end	\$ 780,578
Less those unavailable for general expenditures within one year due to:	
Restriction by donor for purpose	<u>(351,636)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 428,942</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Excess cash is generally held in savings or money market accounts until it is required for operational use.

**NOTE 13- SUBSEQUENT EVENTS**

The organization's management has evaluated subsequent events through May 13, 2019, the date the financial statements were available to be issued. There were no subsequent events identified through May 13, 2019 that require disclosure in these financial statements.