

NATIONAL WOMEN'S HEALTH NETWORK
FINANCIAL STATEMENTS
DECEMBER 31, 2014

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

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, 2014 and the related statements of activities, 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

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, 2014, 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 5, 2015

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 641,652
Investments	6,435
Receivables	223,707
	<u>871,794</u>

PROPERTY AND EQUIPMENT

Furniture, fixtures, equipment, website & leasehold improvements	124,596
Less: accumulated depreciation	111,448
	<u>13,148</u>

OTHER ASSETS

Receivables (net of current)	84,999
Deposits	9,305
	<u>94,304</u>

TOTAL ASSETS

\$ 979,246

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>\$ 15,657</u>
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NET ASSETS

Unrestricted		615,979
Temporarily restricted - Intern Fund	51,824	
- Other	<u>295,786</u>	<u>347,610</u>
		<u>963,589</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 979,246

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Membership			
New Members	\$ 3,280	\$ -	\$ 3,280
Renewals	164,021	-	164,021
Donations	142,564	-	142,564
Total Membership	<u>309,865</u>	<u>-</u>	<u>309,865</u>
Grants	34,000	478,000	512,000
Donations	182,128	-	182,128
Donations - sponsored projects	-	2,911	2,911
Contract - sponsored projects	11,000	-	11,000
On-line In Kind	55,119	-	55,119
Combined Federal Campaign	4,226	-	4,226
Board fundraising	4,270	-	4,270
Special events - revenue	50,871		
- expenses	<u>21,325</u>		
Royalties	4,326	-	4,326
Investment income	327	5	332
Other income	9,541	-	9,541
	<u>644,348</u>	<u>480,916</u>	<u>1,125,264</u>
Net assets released from:			
Satisfaction of program restrictions	422,208	(422,208)	-
	<u>1,066,556</u>	<u>58,708</u>	<u>1,125,264</u>
EXPENSES			
Program Services			
Member Services	322,396	-	322,396
Health Policy Activities	599,155	-	599,155
Women's Health Voice	183,639	-	183,639
Developing Leaders	50,763	-	50,763
Total program expenses	<u>1,155,953</u>	<u>-</u>	<u>1,155,953</u>
Support Services			
Board	43,069	-	43,069
Administrative	118,902	-	118,902
Fundraising	60,289	-	60,289
Total support services	<u>222,260</u>	<u>-</u>	<u>222,260</u>
Total expenses	<u>1,378,213</u>	<u>-</u>	<u>1,378,213</u>
CHANGE IN NET ASSETS	(311,657)	58,708	(252,949)
Beginning net assets	<u>927,636</u>	<u>288,902</u>	<u>1,216,538</u>
Ending net assets	<u>\$ 615,979</u>	<u>\$ 347,610</u>	<u>\$ 963,589</u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Member Services	Health Policy Activities	Women's Health Voice	Developing Leaders	Total Program	Board	Admin.	Fdrsg.	Total Expenses
Salaries	\$ 105,932	\$ 229,022	\$ 71,334	\$ 24,662	\$ 430,950	\$ 12,199	\$ 69,941	\$ 12,777	\$ 525,867
Payroll taxes & benefits	27,232	63,629	17,011	3,888	111,760	1,312	8,959	5,350	127,381
Consultants	27,944	716	5,210	-	33,870	-	3,375	8,026	45,271
Legal & accounting	-	-	-	-	-	396	88,005	-	88,401
Intern stipends	-	-	-	11,555	11,555	-	-	-	11,555
Advertising	-	80	55,119	-	55,199	-	80	-	55,279
Bank & credit charges	5,422	40	-	-	5,462	-	190	-	5,652
Board travel, mtgs, elections	-	-	-	-	-	19,661	-	-	19,661
Conferences & meetings	1,533	3,003	-	-	4,536	-	691	66	5,293
Postage & delivery	16,251	56	34	-	16,341	730	2,323	5,357	24,751
Equipment rental & maintenance	-	-	-	-	-	-	17,262	-	17,262
Insurance	-	-	-	-	-	2,606	2,970	-	5,576
Mailhouse & storage	10,915	-	-	-	10,915	-	-	7,003	17,918
Database	27,862	-	-	-	27,862	-	-	-	27,862
List rental	268	-	-	-	268	-	-	-	268
Internet & web site	12,424	1,600	5,989	250	20,263	-	-	-	20,263
Printing	34,034	286	-	-	34,320	-	3,448	13,703	51,471
Rent	-	-	-	-	-	-	77,581	-	77,581
Subscriptions, dues & regist.	542	2,165	290	-	2,997	-	4,457	295	7,749
Supplies	424	3,500	138	3	4,065	601	4,308	-	8,974
Telephone & utilities	91	3,269	-	-	3,360	473	10,235	-	14,068
Travel	853	24,856	194	190	26,093	247	51	448	26,839
MD Women's Coalition expenses	-	141,371	-	-	141,371	-	-	-	141,371
RWV grant disbursements	-	25,000	-	-	25,000	-	-	-	25,000
New View Campaign expenses	-	892	-	-	892	-	-	-	892
State registration fees	4,459	-	-	-	4,459	-	-	-	4,459
Depreciation	5,215	11,011	-	-	16,226	-	1,403	966	18,595
Staff development & misc. exp.	349	55	475	843	1,722	-	1,232	-	2,954
Total Direct expenses	281,750	510,551	155,794	41,391	989,486	38,225	296,511	53,991	1,378,213
Indirect costs	40,646	88,604	27,845	9,372	166,467	4,844	(177,609)	6,298	
Total expenses	\$ 322,396	\$ 599,155	\$ 183,639	\$ 50,763	\$ 1,155,953	\$ 43,069	\$ 118,902	\$ 60,289	\$ 1,378,213

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See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

Cash flows from operating activities:	
Cash received from grants & donations	\$ 933,151
Cash received from membership dues	309,865
Cash received from other activities	54,413
Interest income	520
Cash paid to employees and vendors	<u>(1,301,572)</u>
Net cash used by operating activities	(3,623)
Cash flows from investing activities:	
Sale of donated stock	17,387
Acquisition of property, equipment & website	<u>(860)</u>
Net cash provided by investing activities	<u>16,527</u>
Net increase in cash and cash equivalents	12,904
Cash and cash equivalents - January 1, 2014	<u>628,748</u>
Cash and cash equivalents - December 31, 2014	<u><u>\$ 641,652</u></u>
Reconciliation of increase in net assets to net cash provided by operating activities:	
Decrease in net assets	\$ (252,949)
Adjustments to reconcile decrease in net assets to net cash used by operating activities:	
Depreciation	18,595
Net realized/unrealized (gain)/loss on investments	188
Donated stock	(18,027)
Changes in assets and liabilities:	
Decrease in receivables	256,318
Decrease in prepaid expenses	1,752
Decrease in accounts payable & accrued expenses	<u>(9,500)</u>
Net cash used by operating activities	<u><u>\$ (3,623)</u></u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014

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.

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, 2014

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 2014, the Network incurred joint costs of \$54,043 for informational materials and activities that included fundraising appeals. Of these costs \$19,455 were allocated to fundraising and \$34,588 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 – PLEDGES RECEIVABLES (INCLUDED IN RECEIVABLES)

Pledges receivable as of December 31, 2014 are 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 pledges expected to be collected within one year at net realizable value without discounting them to present value.

The applicable rate at December 31, 2014 was 2.00%.

Receivable expected to be collected in one year	\$ 7,142
Receivable expected to be collected in two to fifteen	<u>92,858</u>
Less: Discount to net present value	<u>(15,001)</u>
Net pledges receivable	\$84,999

NOTE 4 - RETIREMENT PLANS

The Network contributes 3% of all eligible employees salaries to a 403(b) plan. The Network's pension expense for 2014 was \$11,145.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

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

Eunice Corfman Internship Fund	\$ 51,824 *
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* 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	\$ 65,250
Sexual and Reproductive Health	4,250
Maryland Women's Coalition for Healthcare Reform	221,052
New View Campaign	<u>5,234</u>
Total	\$ 295,786

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

DECEMBER 31, 2014

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	\$205,125
Developing Leaders	14,000
Sexual and Reproductive Health	60,820
Maryland Women's Coalition for Healthcare Reform	141,371
New View Campaign	<u>892</u>
Total	\$422,208

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 March 31, 2019. Annual increases in the base rent will be 2.5%. The future minimum lease payments are as follows –

<u>For the year ending</u>	
December 31, 2015	\$73,674
December 31, 2016	75,518
December 31, 2017	77,410
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 2018. The lease results in commitments of \$6,012 each year for years 2015 through 2017 and \$4,008 in 2018.

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 each year for years 2015 through 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 \$55,119 are included in the financial statements as income and advertising expense. The Network also received in-kind legal services of \$10,675 relating to assistance with trademarks. The in-kind contribution and expense are included in the financial statement under donations and legal & accounting.

NATIONAL WOMEN'S HEALTH NETWORK
 NOTES TO THE FINANCIAL STATEMENTS (CONT)
 DECEMBER 31, 2014

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, 2014:

<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	\$ 6,435	\$ 6,435

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.

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

DECEMBER 31, 2014

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, 2014, 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, 2014, and determined that there were no matters that would require recognition in the financial statements or which may have any affect on its tax-exempt status. As of December 31, 2014, the statute of limitations for tax years 2011 through 2013 remains open with federal and DC authorities.

NOTE 10 - CONCENTRATION OF CREDIT RISK

The organization maintains 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, 2014, the organization's cash balance in excess of FDIC insurance totaled \$7,282.

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.

Women's Health Voice – NWHN supports informed decision-making by providing evidence-based women's health information, including individualized responses to questions about women's health. Information is provided in print, electronic form and over the phone.

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 – PROGRAM NOTE

The category Health Policy Activities includes 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 Merger Watch Project of Community Catalyst and the Avery Institute of the Black Women's Health Imperative.

NATIONAL WOMEN'S HEALTH NETWORK
NOTES TO THE FINANCIAL STATEMENTS (CONT)
DECEMBER 31, 2014

NOTE 13- SUBSEQUENT EVENTS

The organization's management has evaluated subsequent events through May 5, 2015, the date the financial statements were available to be issued. There were no subsequent events identified through May 5, 2015 that require disclosure in these financial statements.