

NATIONAL WOMEN'S HEALTH NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2016

KRONZEK, FISHER & LOPEZ, PLLC
Certified Public Accountants

NATIONAL WOMEN'S HEALTH NETWORK

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DECEMBER 31, 2016

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, 2016 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

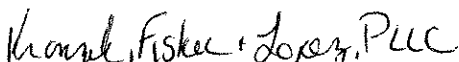
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2016, 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, 2017

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2016

ASSETS

CURRENT ASSETS

| | |
|---------------------------|----------------|
| Cash and cash equivalents | \$ 696,137 |
| Investments | 5,554 |
| Receivables | 51,239 |
| Prepaid expenses | 375 |
| | <u>753,305</u> |

PROPERTY AND EQUIPMENT

| | |
|--------------------------------|---------------|
| Furniture, fixtures, equipment | 67,944 |
| Less: accumulated depreciation | 52,564 |
| | <u>15,380</u> |

OTHER ASSETS

| | |
|------------------------------|----------------|
| Receivables (net of current) | 74,571 |
| Intangible assets, net | 25,993 |
| Deposits | 5,305 |
| | <u>105,869</u> |

TOTAL ASSETS

\$ 874,554

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---------------------------------------|---------------|
| Accounts payable and accrued expenses | \$ 25,719 |
| Note payable | 25,587 |
| | <u>51,306</u> |

TOTAL LIABILITIES

51,306

NET ASSETS

| | | |
|--------------------------------------|----------------|----------------|
| Unrestricted | | 632,664 |
| Temporarily restricted - Intern Fund | 51,834 | |
| - Other | <u>138,750</u> | <u>190,584</u> |
| | | <u>823,248</u> |

TOTAL LIABILITIES AND NET ASSETS

\$ 874,554

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

| | Unrestricted | Temporarily Restricted | Total |
|---|-------------------|---------------------------|-------------------|
| REVENUE | | | |
| Membership | | | |
| New Members | \$ 1,910 | \$ - | \$ 1,910 |
| Renewals | 154,109 | - | 154,109 |
| Donations | 139,525 | - | 139,525 |
| Total Membership | <u>295,544</u> | <u>-</u> | <u>295,544</u> |
| Grants | 50,000 | 304,444 | 354,444 |
| Donations | 388,387 | - | 388,387 |
| Donations - sponsored projects | - | 64,173 | 64,173 |
| On-line In Kind | 119,621 | - | 119,621 |
| Combined Federal Campaign | 2,516 | - | 2,516 |
| Board fundraising | 8,642 | - | 8,642 |
| Special events - revenue | 37,430 | - | - |
| - expenses | <u>21,505</u> | - | - |
| Royalties | 3,166 | - | 3,166 |
| Investment income (loss) | (44) | 5 | (39) |
| Other income | 9,974 | - | 9,974 |
| | <u>893,731</u> | <u>368,622</u> | <u>1,262,353</u> |
| Net assets released from: | | | |
| Satisfaction of program restrictions | 486,803 | (486,803) | - |
| | <u>486,803</u> | <u>(486,803)</u> | <u>-</u> |
| Total revenue | <u>1,380,534</u> | <u>(118,181)</u> | <u>1,262,353</u> |
| EXPENSES | | | |
| Program Services | | | |
| Member Services | 222,818 | - | 222,818 |
| Health Policy Activities | 685,778 | - | 685,778 |
| Raising Women's Voices | 337,869 | - | 337,869 |
| Developing Leaders | 42,124 | - | 42,124 |
| Total program expenses | <u>1,288,589</u> | <u>-</u> | <u>1,288,589</u> |
| Support Services | | | |
| Board | 45,260 | - | 45,260 |
| Administrative | 95,719 | - | 95,719 |
| Fundraising | 70,989 | - | 70,989 |
| Total support services | <u>211,968</u> | <u>-</u> | <u>211,968</u> |
| Total expenses | <u>1,500,557</u> | <u>-</u> | <u>1,500,557</u> |
| CHANGE IN NET ASSETS | (120,023) | (118,181) | (238,204) |
| Beginning net assets | <u>752,687</u> | <u>308,765</u> | <u>1,061,452</u> |
| Ending net assets | <u>\$ 632,664</u> | <u>\$ 190,584</u> | <u>\$ 823,248</u> |

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

| | Member Services | Health Policy Activities | Raising Women's Voices | Developing Leaders | Total Program | Board | Admin. | Fdrsg. | Total Expenses |
|--------------------------------|-----------------|--------------------------|------------------------|--------------------|---------------|-----------|-----------|-----------|----------------|
| Salaries | \$ 66,890 | \$ 181,538 | \$ 111,125 | \$ 18,347 | \$ 377,900 | \$ 12,260 | \$ 40,552 | \$ 19,897 | \$ 450,609 |
| Payroll taxes & benefits | 12,666 | 52,071 | 20,820 | 8,851 | 94,408 | 1,464 | 11,163 | 4,381 | 111,416 |
| Consultants | 37,068 | 2,854 | 9,495 | 135 | 49,552 | - | 15,155 | 9,565 | 74,272 |
| Legal & accounting | - | - | - | - | - | - | 80,084 | - | 80,084 |
| Intern stipends | 685 | 4,923 | - | 5,765 | 11,373 | - | - | 2,502 | 13,875 |
| Advertising | 90 | 119,646 | - | - | 119,736 | - | 340 | 90 | 120,166 |
| Bank & credit charges | 5,216 | 25 | - | - | 5,241 | - | 719 | 15 | 5,975 |
| Board travel, mtgs, elections | - | - | - | - | - | 21,632 | - | - | 21,632 |
| Conferences & meetings | 1,450 | 278 | 3,104 | - | 4,832 | - | - | - | 4,832 |
| Postage & delivery | 14,195 | 100 | 1,129 | - | 15,424 | 293 | 3,310 | 4,060 | 23,087 |
| Equipment rental & maintenance | - | - | - | - | - | - | 30,829 | - | 30,829 |
| Insurance | - | - | - | - | - | 2,696 | 2,692 | - | 5,388 |
| Mailhouse & storage | 6,195 | - | - | - | 6,195 | - | - | 4,808 | 11,003 |
| Database | - | 3,596 | - | - | 3,596 | - | - | - | 3,596 |
| List rental | 94 | - | - | - | 94 | - | - | - | 94 |
| Internet & web site | - | 11,547 | 322 | - | 11,869 | - | 8,032 | - | 19,901 |
| Printing | 32,602 | - | 8,510 | - | 41,112 | - | 2,987 | 9,457 | 53,556 |
| Rent | - | - | - | - | - | - | 80,759 | - | 80,759 |
| Subscriptions, dues & regist. | 305 | 2,207 | 125 | - | 2,637 | - | 1,580 | 35 | 4,252 |
| Supplies | 21 | 111 | 336 | - | 468 | - | 5,488 | - | 5,956 |
| Telephone & utilities | - | 426 | 629 | - | 1,055 | 742 | 9,866 | - | 11,663 |
| Travel | 949 | 3,295 | 20,092 | 172 | 24,508 | 406 | 45 | 390 | 25,349 |
| MD Women's Coalition expenses | - | 187,459 | - | - | 187,459 | - | - | - | 187,459 |
| RWV grant disbursements | - | - | 108,000 | - | 108,000 | - | - | - | 108,000 |
| New View Campaign expenses | - | 1,447 | - | - | 1,447 | - | - | - | 1,447 |
| State registration fees | 4,061 | - | - | - | 4,061 | - | - | - | 4,061 |
| Depreciation & amortization | 7,275 | 25,992 | - | - | 33,267 | - | 3,108 | 1,914 | 38,289 |
| Interest expense | - | - | - | - | - | - | 1,137 | - | 1,137 |
| Staff development & misc. exp. | 792 | 99 | - | 44 | 935 | - | 380 | 555 | 1,870 |
| Total Direct expenses | 190,554 | 597,614 | 283,687 | 33,314 | 1,105,169 | 39,493 | 298,226 | 57,669 | 1,500,557 |
| Indirect costs | 32,264 | 88,164 | 54,182 | 8,810 | 183,420 | 5,767 | (202,507) | 13,320 | |
| Total expenses | \$ 222,818 | \$ 685,778 | \$ 337,869 | \$ 42,124 | \$ 1,288,589 | \$ 45,260 | \$ 95,719 | \$ 70,989 | \$ 1,500,557 |

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

| | |
|---|--------------------|
| Cash flows from operating activities: | |
| Cash received from grants & donations | \$ 1,187,173 |
| Cash received from membership dues | 295,544 |
| Cash received from other activities | 29,065 |
| Interest income | 731 |
| Cash paid to employees and vendors | <u>(1,351,093)</u> |
| Net cash provided by operating activities | 161,420 |
| Cash flows from investing activities: | |
| Sale of donated stock | 13,998 |
| Acquisition of property, equipment & website | <u>(1,941)</u> |
| Net cash provided by investing activities | 12,057 |
| Cash flows from financing activities: | |
| Net repayments | <u>(24,855)</u> |
| Net increase in cash and cash equivalents | 148,622 |
| Cash and cash equivalents - January 1, 2016 | <u>547,515</u> |
| Cash and cash equivalents - December 31, 2016 | <u>\$ 696,137</u> |
| Reconciliation of increase in net assets to net cash provided by operating activities: | |
| Decrease in net assets | \$ (238,204) |
| Adjustments to reconcile decrease in net assets to net cash provided by operating activities: | |
| Depreciation & amortization | 38,289 |
| Net realized/unrealized (gain)/loss on investments | 770 |
| Donated stock | (14,356) |
| Changes in assets and liabilities: | |
| Decrease in receivables | 383,367 |
| Decrease in prepaid expenses | 2,945 |
| Decrease in accounts payable & accrued expenses | <u>(11,391)</u> |
| Net cash provided by operating activities | <u>\$ 161,420</u> |

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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, 2016

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 2016, the Network incurred joint costs of \$34,964 for informational materials and activities that included fundraising appeals. Of these costs \$3,496 were allocated to fundraising and \$31,468 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, 2016 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, 2016 was 2.00%.

| | |
|--|-----------------|
| Receivable expected to be collected in one year | \$ 7,142 |
| Receivable expected to be collected in two to thirteen | <u>78,572</u> |
| | 85,714 |
| Less: Discount to net present value | <u>(11,143)</u> |
| Net charitable trust receivable | \$74,571 |

NOTE 4 - RETIREMENT PLANS

The Network contributes 3% of all eligible employees salaries to a 403(b) plan. The Network's pension expense for 2016 was \$9,225.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

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

| | |
|--------------------------------|-------------|
| Eunice Corfman Internship Fund | \$ 51,834 * |
|--------------------------------|-------------|

* 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 | \$ 138,750 |
|------------------------|------------|

NATIONAL WOMEN'S HEALTH NETWORK
 NOTES TO THE FINANCIAL STATEMENTS (CONT)
 DECEMBER 31, 2016

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 | \$336,944 |
| Communications | 5,000 |
| Maryland Women's Coalition for Healthcare Reform | 142,248 |
| New View Campaign | <u>2,611</u> |
| Total | \$486,803 |

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, 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 year 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 2017 through 2018 and \$291 in 2019.

The website is also being financed by the Network under a 36-month capitalized lease beginning in January 2015. The lease results in commitments of \$25,587 in 2017.

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 \$119,621 are included in the financial statements as income and advertising expense.

NATIONAL WOMEN'S HEALTH NETWORK
 NOTES TO THE FINANCIAL STATEMENTS (CONT)
 DECEMBER 31, 2016

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, 2016:

| <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 | \$ 5,554 | \$ 5,554 |

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, 2016, as the Organization had no net unrelated business income.

NATIONAL WOMEN'S HEALTH NETWORK
NOTES TO THE FINANCIAL STATEMENTS (CONT)
DECEMBER 31, 2016

NOTE 9 – INCOME TAXES (CONTINUED)

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, 2015, 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, 2016, the statute of limitations for tax years 2013 through 2015 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, 2016, the organization's cash balance in excess of FDIC insurance totaled \$203,667.

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 Merger Watch Project of Community Catalyst and the Black Women's Health Imperative.

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, 2017, the date the financial statements were available to be issued. There were no subsequent events identified through May 9, 2017 that require disclosure in these financial statements.