

NATIONAL WOMEN'S HEALTH NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2012

KRONZEK, FISHER & LOPEZ, PLLC

Certified Public Accountants

NATIONAL WOMEN'S HEALTH NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2012

NATIONAL WOMEN'S HEALTH NETWORK

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	3
BASIC FINANCIAL STATEMENTS	
Statement of Financial Position December 31, 2012	4
Statement of Activities For the year ended December 31, 2012	5
Statement of Functional Expenses For the year ended December 31, 2012	6
Statement of Cash Flows For the year ended December 31, 2012	7
NOTES TO THE FINANCIAL STATEMENTS	8-13

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

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, 2012 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

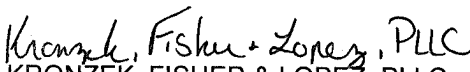
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2012, 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 7, 2013

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 446,202
Investments	4,556
Receivables	54,143
Prepaid expenses	5,625
	<u>510,526</u>

PROPERTY AND EQUIPMENT

Furniture, fixtures, equipment, website & leasehold improvements	115,495
Less: accumulated depreciation	73,112
	<u>42,383</u>

OTHER ASSETS

Receivables (net of present value)	94,857
Deposits	9,305
	<u>104,162</u>

TOTAL ASSETS

\$ 657,071

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>\$ 36,499</u>
---------------------------------------	------------------

NET ASSETS

Unrestricted	406,740
Temporarily restricted - Intern Fund	51,814
- Other	162,018
	<u>213,832</u>
	<u>620,572</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 657,071

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Membership			
New Members	\$ 5,290	\$ -	\$ 5,290
Renewals	135,536	-	135,536
Donations	103,696	-	103,696
Total Membership	<u>244,522</u>	-	<u>244,522</u>
Grants	101,000	331,000	432,000
Donations	297,838	-	297,838
Donations - sponsored projects	-	32,044	32,044
On-line In Kind	65,601	-	65,601
Combined Federal Campaign	3,086	-	3,086
Board fundraising	16,053	-	16,053
Special event - revenue	39,787		
- expenses	<u>13,074</u>		
Royalties	2,614	-	2,614
Investment income	1,535	33	1,568
Other income	3,588	-	3,588
	<u>762,550</u>	<u>363,077</u>	<u>1,125,627</u>
Net assets released from:			
Satisfaction of program restrictions	604,061	(604,061)	-
	<u>604,061</u>	<u>(604,061)</u>	<u>-</u>
Total revenue	<u>1,366,611</u>	<u>(240,984)</u>	<u>1,125,627</u>
EXPENSES			
Program Services			
Member Services	229,003	-	229,003
Health Policy Activities	515,063	-	515,063
Women's Health Voice	114,664	-	114,664
Developing Leaders	31,919	-	31,919
Total program expenses	<u>890,649</u>	-	<u>890,649</u>
Support Services			
Board	42,391	-	42,391
Administrative	192,884	-	192,884
Fundraising	28,419	-	28,419
Total support services	<u>263,694</u>	-	<u>263,694</u>
Total expenses	<u>1,154,343</u>	-	<u>1,154,343</u>
CHANGE IN NET ASSETS	212,268	(240,984)	(28,716)
Beginning net assets	<u>194,472</u>	<u>454,816</u>	<u>649,288</u>
Ending net assets	<u>\$ 406,740</u>	<u>\$ 213,832</u>	<u>\$ 620,572</u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

	Member Services	Health Policy Activities	Women's Health Voice	Developing Leaders	Total Program	Board	Admin.	Fdrsg.	Total Expenses
Salaries	\$ 51,447	\$ 221,723	\$ 28,564	\$ 9,458	\$ 311,192	\$ 9,342	\$ 107,439	\$ 446	\$ 428,419
Payroll taxes & benefits	10,536	46,398	5,927	2,163	65,024	1,888	29,978	135	97,025
Consultants	34,477	3,922	630	-	39,029	-	2,301	11,723	53,053
Legal & accounting	-	-	-	-	-	-	58,954	-	58,954
Intern stipends	-	-	-	14,470	14,470	-	-	-	14,470
Advertising	472	-	65,671	-	66,143	-	-	-	66,143
Bank & credit charges	6,176	-	-	-	6,176	-	1,101	-	7,277
Board travel, mtgs, elections	732	216	-	-	948	21,396	-	-	22,344
Conferences & meetings	-	4,212	70	235	4,517	122	169	-	4,808
Postage & delivery	15,964	350	19	-	16,333	81	4,150	3,081	23,645
Equipment rental & maintenance	-	90	-	-	90	-	13,371	-	13,461
Insurance	-	-	-	-	-	2,510	2,887	-	5,397
Mailhouse & storage	7,699	-	-	-	7,699	-	-	2,213	9,912
Database	38,965	-	-	-	38,965	-	-	-	38,965
Internet & web site	-	1,877	119	-	1,996	-	8,896	-	10,892
Printing	30,488	356	-	-	30,844	-	2,720	10,300	43,864
Rent	-	-	-	-	-	-	74,410	-	74,410
Subscriptions, dues & regist.	1,424	765	144	-	2,333	-	1,353	338	4,024
Supplies	231	212	36	-	479	-	5,143	-	5,622
Telephone & utilities	-	8,322	278	-	8,600	2,042	12,382	-	23,024
Travel	129	7,454	-	240	7,823	645	-	-	8,468
MD Women's Coalition expenses	-	82,383	-	-	82,383	-	-	-	82,383
RWV materials	-	5,576	-	-	5,576	-	-	-	5,576
RWV grant disbursements	-	25,580	-	-	25,580	-	-	-	25,580
New View Campaign expenses	-	2,283	-	-	2,283	-	-	-	2,283
URE Project	-	4,000	-	-	4,000	-	-	-	4,000
State registration fees	3,725	-	-	-	3,725	-	-	-	3,725
Depreciation	4,383	-	-	-	4,383	-	10,198	-	14,581
Staff development & misc. exp.	-	556	-	885	1,441	-	597	-	2,038
Total Direct expenses	206,848	416,275	101,458	27,451	752,032	38,026	336,049	28,236	1,154,343
Indirect costs	22,155	98,788	13,206	4,468	138,617	4,365	(143,165)	183	
Total expenses	\$ 229,003	\$ 515,063	\$ 114,664	\$ 31,919	\$ 890,649	\$ 42,391	\$ 192,884	\$ 28,419	\$ 1,154,343

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

Cash flows from operating activities:	
Cash received from grants & donations	\$ 936,888
Cash received from membership dues	153,417
Cash received from other activities	32,915
Interest income	1,226
Cash paid to employees and vendors	<u>(1,077,387)</u>
Net cash provided by operating activities	47,059
Cash flows from investing activities:	
Sale of donated stock	2,867
Acquisition of property, equipment & website	<u>(28,030)</u>
Net cash used by investing activities	<u>(25,163)</u>
Net increase in cash and cash equivalents	21,896
Cash and cash equivalents - January 1, 2012	<u>424,306</u>
Cash and cash equivalents - December 31, 2012	<u><u>\$ 446,202</u></u>
Reconciliation of decrease in net assets to net cash provided by operating activities:	
Decrease in net assets	\$ (28,716)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	14,581
Net realized/unrealized gain on investments	(342)
Donated stock	(3,238)
Changes in assets and liabilities:	
Decrease in receivables	68,000
Increase in prepaid expenses	(1,833)
Increase in deposits	(4,000)
Increase in accounts payable & accrued expenses	<u>2,607</u>
Net cash provided by operating activities	<u><u>\$ 47,059</u></u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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

Accounting Standard – The organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 105-10, *FASB Codification*. The FASB Codification is the single source of authoritative U.S. generally accepted accounting principles (GAAP).

Basis of accounting - The financial statements of the Network have been prepared on the accrual basis of accounting.

Revenue recognition - Grants and contributions are recognized when the grant or contribution has been awarded. Restricted revenue is classified in the temporarily restricted fund until provisions of the restriction are satisfied. Unrestricted grants & contributions are recognized in the unrestricted fund when awarded. The organization has no permanently restricted grants. Memberships are effectively contributions and there is no liability for future service associated with received membership dues, thus all dues are recognized as revenue as received.

Cash and Cash Equivalents – The organization considers cash equivalents to be highly liquid investments with original maturities at time of purchase of 180 days or less.

Property and equipment - Property and equipment 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.

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 2012, the Network incurred joint costs of \$42,202 for

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

DECEMBER 31, 2012

informational materials and activities that included fundraising appeals. Of these costs \$26,924 were allocated to fundraising and \$15,278 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, 2012 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, 2012 was 2.00%.

Receivable expected to be collected in one year	\$ 7,143
Receivable expected to be collected in one to seventeen years	<u>114,286</u>
Less: Discount to net present value	<u>(19,429)</u>
Net pledges receivable	\$102,000

NOTE 4 - RETIREMENT PLANS

The Network contributes 3% of all eligible employees salaries to a 403(b) plan. The Network's pension expense for 2012 was \$10,960.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

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

Eunice Corfman Internship Fund \$ 51,814 *

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

The Network has the following other Temporarily Restricted Net Assets.

Program Coordinator	\$ 37,393
Timing restriction	60,000
RJ Fellow	33,023
Developing Leaders	13,530
Maryland Women's Coalition	12,925
New View Campaign	<u>5,147</u>
Total	\$162,018

NATIONAL WOMEN'S HEALTH NETWORK
 NOTES TO THE FINANCIAL STATEMENTS (CONT)
 DECEMBER 31, 2012

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	\$110,000
Timing restriction	150,000
Developing Leaders	14,470
Program Coordinator	63,614
RJ Fellow	50,000
Reproductive Health	85,000
Maryland Women's Coalition	86,690
Matching Challenge Grant	30,005
New View Campaign	2,282
Up the River	<u>12,000</u>
Total	\$604,061

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 –

For the year ending

December 31, 2013	70,129
December 31, 2014	71,878
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 2014. The lease results in commitments of \$6,468 in 2013 and \$4,312 in 2014.

The Network also rents a mail machine under a 51-month lease which expires in December of 2013. The lease results in commitments of \$2,412 in 2013.

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

DECEMBER 31, 2012

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 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, 2011:

Assets Measured at Fair Value

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical (Level 1)</u>
Mutual Funds/Stocks	\$ 4,556	\$ 4,556

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, 2012

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, 2012, 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, 2012, 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, 2012, the statute of limitations for tax years 2009 through 2011 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, 2012, the organization's cash balance in excess of FDIC insurance totaled \$35,497.

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 Security 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

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

DECEMBER 31, 2012

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 for Social Change.

NOTE 13- SUBSEQUENT EVENTS

The organization's management has evaluated subsequent events through May 7, 2013, the date the financial statements were available to be issued. There were no subsequent events identified through May 7, 2013 that require disclosure in these financial statements.