

NATIONAL WOMEN'S HEALTH NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2013

KRONZEK, FISHER & LOPEZ, PLLC
Certified Public Accountants

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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, 2013 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, 2013, 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
KRONZEK, FISHER & LOPEZ, PLLC
Certified Public Accountants

Washington, DC
August 1, 2014

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 628,748
Investments	5,983
Receivables	475,024
Prepaid expenses	1,752
	<u>1,111,507</u>

PROPERTY AND EQUIPMENT

Furniture, fixtures, equipment, website & leasehold improvements	123,736
Less: accumulated depreciation	92,853
	<u>30,883</u>

OTHER ASSETS

Receivables (net of current)	90,000
Deposits	9,305
	<u>99,305</u>

TOTAL ASSETS

\$ 1,241,695

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	<u>\$ 25,157</u>
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NET ASSETS

Unrestricted	927,636
Temporarily restricted - Intern Fund	51,819
- Other	237,083
	<u>288,902</u>
	<u>1,216,538</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 1,241,695

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Membership			
New Members	\$ 12,555	\$ -	\$ 12,555
Renewals	159,509	-	159,509
Donations	114,016	-	114,016
Total Membership	<u>286,080</u>	<u>-</u>	<u>286,080</u>
Grants	670,000	700,000	1,370,000
Donations	190,286	-	190,286
Donations - sponsored projects	-	13,259	13,259
Contract - sponsored projects	25,000	-	25,000
On-line In Kind	32,258	-	32,258
Combined Federal Campaign	3,472	-	3,472
Board fundraising	9,779	-	9,779
Special event - revenue	35,024	-	35,024
- expenses	<u>19,268</u>	-	<u>15,756</u>
Royalties	1,224	-	1,224
Investment income	2,061	5	2,066
Other income	30,446	-	30,446
	<u>1,266,362</u>	<u>713,264</u>	<u>1,979,626</u>
Net assets released from:			
Satisfaction of program restrictions	638,194	(638,194)	-
Total revenue	<u>1,904,556</u>	<u>75,070</u>	<u>1,979,626</u>
EXPENSES			
Program Services			
Member Services	345,156	-	345,156
Health Policy Activities	701,196	-	701,196
Women's Health Voice	105,358	-	105,358
Developing Leaders	41,268	-	41,268
Total program expenses	<u>1,192,978</u>	<u>-</u>	<u>1,192,978</u>
Support Services			
Board	75,213	-	75,213
Administrative	79,895	-	79,895
Fundraising	35,574	-	35,574
Total support services	<u>190,682</u>	<u>-</u>	<u>190,682</u>
Total expenses	<u>1,383,660</u>	<u>-</u>	<u>1,383,660</u>
CHANGE IN NET ASSETS	520,896	75,070	595,966
Beginning net assets	<u>406,740</u>	<u>213,832</u>	<u>620,572</u>
Ending net assets	<u>\$ 927,636</u>	<u>\$ 288,902</u>	<u>\$ 1,216,538</u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Member Services	Health Policy Activities	Women's Health Voice	Developing Leaders	Total Program	Board	Admin.	Fdrsg.	Total Expenses
Salaries	\$ 108,124	\$ 238,325	\$ 43,830	\$ 15,688	\$ 405,967	\$ 21,062	\$ 45,318	\$ 6,031	\$ 478,378
Payroll taxes & benefits	23,798	53,412	11,451	2,939	91,600	2,879	8,557	3,892	106,928
Consultants	27,809	16,414	420	-	44,643	-	395	10,087	55,125
Legal & accounting	-	-	-	-	-	4,425	64,239	-	68,664
Intern stipends	-	-	-	13,530	13,530	-	-	-	13,530
Advertising	-	70	32,498	-	32,568	-	-	-	32,568
Bank & credit charges	5,874	-	-	-	5,874	-	94	-	5,968
Board travel, mtgs, elections	-	-	-	-	-	29,484	-	-	29,484
Conferences & meetings	1,127	23,917	-	-	25,044	59	206	12	25,321
Postage & delivery	23,787	226	-	-	24,013	736	2,068	1,409	28,226
Equipment rental & maintenance	403	353	-	980	1,736	558	15,340	-	17,634
Insurance	-	-	-	-	-	2,510	2,978	-	5,488
Mailhouse & storage	18,705	-	-	-	18,705	-	-	3,423	22,128
Database	30,199	-	-	-	30,199	-	-	-	30,199
List rental	1,231	-	-	-	1,231	-	-	-	1,231
Internet & web site	156	918	561	500	2,135	-	6,578	-	8,713
Printing	49,227	89	-	-	49,316	89	1,751	5,442	56,598
Rent	-	-	-	26	26	-	71,706	-	71,732
Subscriptions, dues & regist.	-	1,489	15	-	1,504	-	1,606	612	3,722
Supplies	-	849	356	148	1,353	41	5,937	-	7,331
Telephone & utilities	10	3,332	-	-	3,342	344	10,191	-	13,877
Travel	762	10,261	-	233	11,256	5,632	12	38	16,938
MD Women's Coalition expenses	-	219,962	-	-	219,962	-	-	-	219,962
RWV grant disbursements	-	25,000	-	-	25,000	-	-	-	25,000
New View Campaign expenses	-	1,306	-	-	1,306	-	-	-	1,306
URE Project	-	12,000	-	-	12,000	-	-	-	12,000
State registration fees	4,096	-	-	-	4,096	-	-	-	4,096
Depreciation	9,871	5,922	-	-	15,793	-	2,961	987	19,741
Staff development & misc. exp.	148	120	-	1,145	1,413	-	359	-	1,772
Total Direct expenses	305,327	613,965	89,131	35,189	1,043,612	67,819	240,296	31,933	1,383,660
Indirect costs	39,829	87,231	16,227	6,079	149,366	7,394	(160,401)	3,641	-
Total expenses	\$ 345,156	\$ 701,196	\$ 105,358	\$ 41,268	\$ 1,192,978	\$ 75,213	\$ 79,895	\$ 35,574	\$ 1,383,660

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Cash flows from operating activities:	
Cash received from grants & donations	\$ 1,161,262
Cash received from membership dues	286,080
Cash received from other activities	72,426
Interest income	1,028
Cash paid to employees and vendors	<u>(1,339,130)</u>
Net cash provided by operating activities	181,666
Cash flows from investing activities:	
Sale of donated stock	9,121
Acquisition of property, equipment & website	<u>(8,241)</u>
Net cash provided by investing activities	<u>880</u>
Net increase in cash and cash equivalents	182,546
Cash and cash equivalents - January 1, 2013	<u>446,202</u>
Cash and cash equivalents - December 31, 2013	<u><u>\$ 628,748</u></u>
Reconciliation of increase in net assets to net cash provided by operating activities:	
Increase in net assets	\$ 595,966
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	19,741
Net realized/unrealized gain on investments	(1,038)
Donated stock	(9,510)
Changes in assets and liabilities:	
Increase in receivables	(416,024)
Decrease in prepaid expenses	3,873
Decrease in accounts payable & accrued expenses	<u>(11,342)</u>
Net cash provided by operating activities	<u><u>\$ 181,666</u></u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2013

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 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.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONT)

DECEMBER 31, 2013

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 2013, the Network incurred joint costs of \$48,823 for informational materials and activities that included fundraising appeals. Of these costs \$18,553 were allocated to fundraising and \$30,270 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, 2013 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, 2013 was 2.00%.

Receivable expected to be collected in one year	\$ 7,143
Receivable expected to be collected in two to fifteen	<u>100,000</u>
Less: Discount to net present value	<u>(17,143)</u>
Net pledges receivable	\$90,000

NOTE 4 - RETIREMENT PLANS

The Network contributes 3% of all eligible employees salaries to a 403(b) plan. The Network's pension expense for 2013 was \$10,140.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

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

Eunice Corfman Internship Fund \$ 51,819 *

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

NATIONAL WOMEN'S HEALTH NETWORK
 NOTES TO THE FINANCIAL STATEMENTS (CONT)
 DECEMBER 31, 2013

The Network has the following other Temporarily Restricted Net Assets.

Raising Women's Voices	\$ 106,250
Reproductive Health	33,695
Maryland Women's Coalition	92,281
New View Campaign	<u>4,857</u>
Total	\$ 237,083

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	\$185,750
Developing Leaders	27,530
Reproductive Health	100,328
Universal Access	20,000
Program Coordinator	37,393
Timing restriction	20,000
Maryland Women's Coalition	232,887
New View Campaign	1,306
Up the River	<u>13,000</u>
Total	\$638,194

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, 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 2018. The lease results in commitments of \$6,012 each year for years 2014 through 2017 and \$4,008 in 2018.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONT)

DECEMBER 31, 2013

The Network also rents mail machine equipment under a 60-month lease which expires in February 2019. The lease results in commitments of \$3,196 in 2014, \$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 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, 2013:

<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	\$ 5,983	\$ 5,983

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

DECEMBER 31, 2013

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, 2013, 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, 2013, 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, 2013, the statute of limitations for tax years 2010 through 2012 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, 2013, the organization's cash balance in excess of FDIC insurance totaled \$57,284.

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.

NATIONAL WOMEN'S HEALTH NETWORK
NOTES TO THE FINANCIAL STATEMENTS (CONT)
DECEMBER 31, 2013

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.

NOTE 13– SUBSEQUENT EVENTS

The organization's management has evaluated subsequent events through August 1, 2014, the date the financial statements were available to be issued. There were no subsequent events identified through August 1, 2014 that require disclosure in these financial statements.