

**NATIONAL WOMEN'S HEALTH NETWORK**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

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

NATIONAL WOMEN'S HEALTH NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2015

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, 2015 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, 2015, 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 11, 2016

NATIONAL WOMEN'S HEALTH NETWORK

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 547,515
Investments	5,966
Receivables	429,321
Prepaid expenses	3,320
	<u>986,122</u>

PROPERTY AND EQUIPMENT

Furniture, fixtures, equipment	66,003
Less: accumulated depreciation	40,267
	<u>25,736</u>

OTHER ASSETS

Receivables (net of current)	79,856
Intangible assets, net	51,985
Deposits	5,305
	<u>137,146</u>

TOTAL ASSETS

\$ 1,149,004

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 37,110
Note payable	24,855
	<u>61,965</u>

LONG TERM LIABILITIES

Note payable (net of current)	<u>25,587</u>
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TOTAL LIABILITIES

87,552

NET ASSETS

Unrestricted		752,687
Temporarily restricted - Intern Fund	51,829	
- Other	256,936	308,765
		<u>1,061,452</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 1,149,004

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>REVENUE</b>			
<b>Membership</b>			
New Members	\$ 8,149	\$ -	\$ 8,149
Renewals	146,508	-	146,508
Donations	165,688	-	165,688
<b>Total Membership</b>	<b>320,345</b>	<b>-</b>	<b>320,345</b>
Grants	375,000	454,000	829,000
Donations	371,221	-	371,221
Donations - sponsored projects	-	30,662	30,662
On-line In Kind	104,357	-	104,357
Combined Federal Campaign	2,834	-	2,834
Board fundraising	7,830	-	7,830
Special events - revenue	69,643		
- expenses	<u>20,744</u>		
Royalties	2,711	-	2,711
Investment income (loss)	(517)	5	(512)
Other income	1,377	-	1,377
	<u>1,234,057</u>	<u>484,667</u>	<u>1,718,724</u>
Net assets released from:			
Satisfaction of program restrictions	523,512	(523,512)	-
	<u>1,757,569</u>	<u>(38,845)</u>	<u>1,718,724</u>
<b>EXPENSES</b>			
<b>Program Services</b>			
Member Services	365,271	-	365,271
Health Policy Activities	795,955	-	795,955
Women's Health Voice	241,043	-	241,043
Developing Leaders	49,421	-	49,421
<b>Total program expenses</b>	<b>1,451,690</b>	<b>-</b>	<b>1,451,690</b>
<b>Support Services</b>			
Board	61,470	-	61,470
Administrative	50,009	-	50,009
Fundraising	57,692	-	57,692
<b>Total support services</b>	<b>169,171</b>	<b>-</b>	<b>169,171</b>
<b>Total expenses</b>	<b>1,620,861</b>	<b>-</b>	<b>1,620,861</b>
<b>CHANGE IN NET ASSETS</b>	<b>136,708</b>	<b>(38,845)</b>	<b>97,863</b>
Beginning net assets	615,979	347,610	963,589
Ending net assets	<u>\$ 752,687</u>	<u>\$ 308,765</u>	<u>\$ 1,061,452</u>

See accompanying notes to financial statements.

NATIONAL WOMEN'S HEALTH NETWORK  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015

	Member Services	Health Policy Activities	Women's Health Voice	Developing Leaders	Total Program	Board	Admin.	Fdrsg.	Total Expenses
Salaries	\$ 111,569	\$ 269,652	\$ 50,658	\$ 18,657	\$ 450,536	\$ 15,485	\$ 23,928	\$ 6,032	\$ 495,981
Payroll taxes & benefits	26,210	71,008	12,279	9,487	118,984	1,777	2,408	5,826	128,995
Consultants	31,027	14,518	8,913	-	54,458	1,266	30,290	11,125	97,139
Legal & accounting	-	-	-	-	-	-	73,128	-	73,128
Intern stipends	-	-	-	10,200	10,200	-	-	-	10,200
Advertising	-	-	104,357	-	104,357	-	240	-	104,597
Bank & credit charges	5,279	-	-	-	5,279	-	1,284	-	6,563
Board travel, mtgs, elections	-	-	-	-	-	27,865	-	-	27,865
Conferences & meetings	106	5,818	-	50	5,974	-	3,062	-	9,036
Postage & delivery	23,556	178	-	-	23,734	60	2,576	4,256	30,626
Equipment rental & maintenance	-	-	-	-	-	-	30,041	-	30,041
Insurance	-	-	-	-	-	2,646	2,692	-	5,338
Mailhouse & storage	12,831	-	-	-	12,831	-	-	8,095	20,926
Database	17,564	-	1,270	-	18,834	-	-	-	18,834
List rental	3,441	-	-	-	3,441	-	-	-	3,441
Internet & web site	10,000	1,931	38,006	-	49,937	-	2,504	1,880	54,321
Printing	47,102	360	-	110	47,572	-	2,634	15,165	65,371
Rent	-	-	-	-	-	-	77,057	-	77,057
Subscriptions, dues & regist.	295	2,346	21	300	2,962	-	1,000	426	4,388
Supplies	1,828	158	149	-	2,135	72	6,881	-	9,088
Telephone & utilities	79	865	-	-	944	343	10,340	-	11,627
Travel	2,359	28,584	91	290	31,324	4,571	1,997	21	37,913
MD Women's Coalition expenses	-	172,620	-	-	172,620	-	-	-	172,620
RWV grant disbursements	-	70,000	-	-	70,000	-	-	-	70,000
New View Campaign expenses	-	3,643	-	-	3,643	-	-	-	3,643
State registration fees	4,342	-	-	-	4,342	-	-	-	4,342
Depreciation & amortization	11,573	23,903	-	-	35,476	-	3,529	1,157	40,162
Interest expense	1,848	-	-	-	1,848	-	-	-	1,848
Staff development & misc. exp.	315	1,100	468	1,109	2,992	-	2,779	-	5,771
Total Direct expenses	311,324	666,684	216,212	40,203	1,234,423	54,085	278,370	53,983	1,620,861
Indirect costs	53,947	129,271	24,831	9,218	217,267	7,385	(228,361)	3,709	-
Total expenses	\$ 365,271	\$ 795,955	\$ 241,043	\$ 49,421	\$ 1,451,690	\$ 61,470	\$ 50,009	\$ 57,692	\$ 1,620,861

NATIONAL WOMEN'S HEALTH NETWORK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Cash received from grants & donations	\$ 1,024,421
Cash received from membership dues	320,345
Cash received from other activities	52,987
Interest income	718
Cash paid to employees and vendors	<u>(1,454,209)</u>
Net cash used by operating activities	(55,738)
Cash flows from investing activities:	
Sale of donated stock	15,893
Acquisition of property, equipment & website	<u>(104,734)</u>
Net cash used by investing activities	(88,841)
Cash flows from financing activities:	
Net borrowings	<u>50,442</u>
Net decrease in cash and cash equivalents	(94,137)
Cash and cash equivalents - January 1, 2015	<u>641,652</u>
Cash and cash equivalents - December 31, 2015	<u><u>\$ 547,515</u></u>
Reconciliation of increase in net assets to net cash used by operating activities:	
Increase in net assets	\$ 97,863
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation & amortization	40,162
Net realized/unrealized (gain)/loss on investments	1,230
Donated stock	(16,655)
Changes in assets and liabilities:	
Increase in receivables	(200,471)
Increase in prepaid expenses	(3,320)
Decrease in deposits	4,000
Increase in accounts payable & accrued expenses	<u>21,453</u>
Net cash used by operating activities	<u><u>\$ (55,738)</u></u>

See accompanying notes to financial statements.



NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

**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, 2015

**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 2015, the Network incurred joint costs of \$41,463 for informational materials and activities that included fundraising appeals. Of these costs \$5,805 were allocated to fundraising and \$35,658 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, 2015 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, 2015 was 2.00%.

Receivable expected to be collected in one year	\$ 7,142
Receivable expected to be collected in two to thirteen	<u>85,714</u>
Less: Discount to net present value	<u>(13,000)</u>
Net charitable trust receivable	\$79,856

**NOTE 4 - RETIREMENT PLANS**

The Network contributes 3% of all eligible employees salaries to a 403(b) plan. The Network's pension expense for 2015 was \$9,074.

**NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS**

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

Eunice Corfman Internship Fund	\$ 51,829 *
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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	\$ 176,250
Maryland Women's Coalition for Healthcare Reform	78,228
New View Campaign	<u>2,458</u>
Total	\$ 256,936

NATIONAL WOMEN'S HEALTH NETWORK  
 NOTES TO THE FINANCIAL STATEMENTS (CONT)  
 DECEMBER 31, 2015

**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	\$304,000
Developing Leaders	14,000
Sexual and Reproductive Health	29,250
Maryland Women's Coalition for Healthcare Reform	172,619
New View Campaign	<u>3,643</u>
Total	\$523,512

**NOTE 6 - COMMITMENTS AND CONTINGENCIES**

In August 2008, the Network signed a lease for office space at 1413 K Street, NW 4<sup>th</sup> Floor, Washington DC 20005. The lease term began in February 2009 and will end 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, 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 2016 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 2016 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 \$24,855 in 2016 and \$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 \$104,357 are included in the financial statements as income and advertising expense.

NATIONAL WOMEN'S HEALTH NETWORK

NOTES TO THE FINANCIAL STATEMENTS (CONT)

DECEMBER 31, 2015

**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, 2015:

<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	\$ 5,966	\$ 5,966

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, 2015

**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, 2015, 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, 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, 2015, the statute of limitations for tax years 2012 through 2014 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, 2015, the organization's cash balance in excess of FDIC insurance totaled \$5,192.

**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, 2015

**NOTE 13– SUBSEQUENT EVENTS**

The organization's management has evaluated subsequent events through May 11, 2016, the date the financial statements were available to be issued. There were no subsequent events identified through May 11, 2016 that require disclosure in these financial statements.