



Report of Independent Auditors and  
Consolidated Financial Statements

## Women's Funding Network

December 31, 2011 and 2010

**MOSS ADAMS** LLP

Certified Public Accountants | Business Consultants

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
Women's Funding Network

We have audited the accompanying consolidated statements of financial position of Women's Funding Network and Women's Funding Network Foundation (the "Network") as of December 31, 2011 and 2010, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the management of the Network. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 consolidated financial statements are free of material misstatement. An audit includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Network's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Network as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



San Francisco, California  
May 8, 2012

**CONSOLIDATED FINANCIAL STATEMENTS**

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**WOMEN'S FUNDING NETWORK**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 933,496	\$ 728,524
Investments	1,534,234	2,506,223
Promises to give and grants receivable	1,414,171	1,635,424
Other receivables	4,097	70,648
Prepaid expenses	106,438	74,939
Total current assets	3,992,436	5,015,758
Promises to give and grants receivable, net	26,343	1,473,045
Deposits	24,423	24,423
Property and equipment, net	38,291	72,151
<b>TOTAL ASSETS</b>	<u>\$ 4,081,493</u>	<u>\$ 6,585,377</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 60,618	\$ 138,808
Fiscal sponsorships and passthroughs	-	276,000
Capital leases payable, current maturities	7,130	5,690
Accrued vacation liability	27,239	75,156
Deferred membership and social enterprise fees	43,000	75,604
Total current liabilities	137,987	571,258
Deferred rent	70,048	64,673
Capital leases payable	676	7,727
<b>TOTAL LIABILITIES</b>	<u>208,711</u>	<u>643,658</u>
<b>NET ASSETS</b>		
Unrestricted		
Available for operations	542,766	108,057
Designated by the board of directors	-	762,870
Total unrestricted	542,766	870,927
Temporarily restricted net assets	3,330,016	5,070,792
<b>TOTAL NET ASSETS</b>	<u>3,872,782</u>	<u>5,941,719</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 4,081,493</u>	<u>\$ 6,585,377</u>

*See accompanying notes.*

**WOMEN'S FUNDING NETWORK**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2011 and 2010**

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT, REVENUE, GAINS, AND LOSSES</b>						
Foundation and corporate grants	\$ 153,120	\$ 750,337	\$ 903,457	\$ 21,750	\$ 3,620,866	\$ 3,642,616
Contributions	409,276	130,231	539,507	216,598	313,386	529,984
In-kind donations	75,029	-	75,029	93,544	-	93,544
Membership dues	153,140	-	153,140	261,109	-	261,109
Event fees and sponsorships	327,632	-	327,632	182,825	-	182,825
Fee for service income	95,707	-	95,707	267,703	-	267,703
Investment income	(8,086)	7,358	(728)	33,802	2,127	35,929
Unrealized (loss) gain from investments	(17,063)	-	(17,063)	154,531	-	154,531
Prior year promises to give redirected or written off	497,453	(497,453)	-	374,099	(374,099)	-
Net assets released from restrictions	2,131,249	(2,131,249)	-	3,578,707	(3,578,707)	-
<b>TOTAL SUPPORT, REVENUE, GAINS, AND LOSSES</b>	<b>3,817,457</b>	<b>(1,740,776)</b>	<b>2,076,681</b>	<b>5,184,668</b>	<b>(16,427)</b>	<b>5,168,241</b>
<b>EXPENSES</b>						
Program services:						
Conference	380,744	-	380,744	337,810	-	337,810
Member services	577,296	-	577,296	723,657	-	723,657
Research and Policy	537,258	-	537,258	837,592	-	837,592
Education and Convening	991,217	-	991,217	1,508,420	-	1,508,420
Grantmaking	124,848	-	124,848	82,425	-	82,425
Social enterprise	43,680	-	43,680	263,224	-	263,224
Supporting services:						
Transition	219,668	-	219,668	-	-	-
Management and general	684,922	-	684,922	580,150	-	580,150
Development	585,985	-	585,985	568,287	-	568,287
<b>TOTAL EXPENSES</b>	<b>4,145,618</b>	<b>-</b>	<b>4,145,618</b>	<b>4,901,565</b>	<b>-</b>	<b>4,901,565</b>
Change in net assets	(328,161)	(1,740,776)	(2,068,937)	283,103	(16,427)	266,676
Net assets at beginning of year	870,927	5,070,792	5,941,719	587,824	5,087,219	5,675,043
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 542,766</b>	<b>\$ 3,330,016</b>	<b>\$ 3,872,782</b>	<b>\$ 870,927</b>	<b>\$ 5,070,792</b>	<b>\$ 5,941,719</b>

*See accompanying notes.*

**WOMEN'S FUNDING NETWORK**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ (2,068,937)	\$ 266,676
Adjustments to reconcile change in net assets to net cash from operating activities:		
Change in allowance for uncollectible pledges to give	(317,901)	229,401
Change in discount on pledges and grants receivable	(461,438)	(30,841)
Depreciation and amortization	33,338	34,910
Loss from fixed assets disposal	1,421	-
Net loss (gain) from investments	17,063	(154,531)
Deferred rent	5,375	13,296
(Increase) decrease in operating assets:		
Other receivables	66,551	(23,901)
Promises to give and grants receivable	2,447,294	(522,568)
Prepaid expenses	(31,499)	1,860
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(78,190)	19,901
Accrued vacation liability	(47,917)	7,386
Deferred membership and social enterprise	(32,604)	64,803
Net cash used by operating activities	<u>(467,444)</u>	<u>(93,608)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	1,012,825	1,384,573
Purchase of investments	(57,899)	(1,117,984)
Purchase of equipment and software	(898)	(21,144)
Net cash provided by investing activities	<u>954,028</u>	<u>245,445</u>
Cash flows from financing activities:		
Fiscal sponsorships and passthroughs	(276,000)	276,000
Principal payments on capital leases	(5,612)	(4,592)
Net cash (used) provided by financing activities	<u>(281,612)</u>	<u>271,408</u>
Net increase in cash and cash equivalents	204,972	423,245
Cash and cash equivalents, beginning of the year	<u>728,524</u>	<u>305,279</u>
Cash and cash equivalents, end of the year	<u>\$ 933,496</u>	<u>\$ 728,524</u>
Noncash financing activities:		
Paid interest	\$ 2,644	\$ 3,467

*See accompanying notes.*

**WOMEN'S FUNDING NETWORK**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2011**

	Program Services						Supporting Services					Total
	Conference	Member Services	Research and Policy	Education and Convening	Grant-making	Social Enterprise	Total Program Services	Transition	Management and General	Development	Total Supporting Services	
Staff	\$ 47,924	\$ 207,368	\$ 131,843	\$ 307,683	\$ 16,855	\$ 6,102	\$ 717,775	\$ 54,953	\$ 321,759	\$ 322,813	\$ 699,525	\$ 1,417,300
Outreach and professional development	47	8,726	1,346	5,954	87	-	16,160	1,482	6,363	5,192	13,037	29,197
Consultant fees and honoraria	75,792	190,328	54,510	201,579	2,716	34,431	559,356	103,075	169,175	112,329	384,579	943,935
Convening facilities and AV	43,373	11,468	18,570	14,469	506	-	88,386	17	9,848	169	10,034	98,420
Food	93,626	11,617	26,282	36,773	90	26	168,414	4,353	20,606	4,982	29,941	198,355
Travel	58,879	23,853	31,436	49,794	1,342	1,521	166,825	42,660	28,299	23,392	94,351	261,176
Materials development / printing	21,138	3,689	1,915	3,292	46	37	30,117	1,205	10,015	7,113	18,333	48,450
Grants and sponsorships	10,002	3,337	106	10,934	99,999	595	124,973	43	77	3,053	3,173	128,146
Evaluation	-	37,684	15,000	-	-	-	52,684	-	-	-	-	52,684
Mailing	3,182	2,376	2,599	2,441	177	25	10,800	92	1,624	1,554	3,270	14,070
Telephone	1,974	8,904	5,022	7,611	267	250	24,028	1,059	7,099	9,539	17,697	41,725
Office supplies	5,580	1,680	742	2,316	85	23	10,426	600	3,062	2,283	5,945	16,371
Office space	14,935	53,047	28,940	50,298	2,226	569	150,015	8,098	56,894	71,141	136,133	286,148
Equipment rental and repair	1,216	4,262	2,337	4,092	179	47	12,133	663	16,550	5,701	22,914	35,047
Depreciation, amortization and disposal	2,351	6,736	3,450	5,895	166	24	18,622	1,084	6,739	8,314	16,137	34,759
Licenses and permits	8	139	26	140	4	-	317	25	1,434	5,630	7,089	7,406
Bank fees and interest	143	488	272	479	20	6	1,408	73	16,413	657	17,143	18,551
Insurance	574	1,594	862	1,614	83	24	4,751	186	5,411	2,123	7,720	12,471
Bad debt	-	-	212,000	285,853	-	-	497,853	-	3,554	-	3,554	501,407
<b>Total expenses</b>	<b>\$ 380,744</b>	<b>\$ 577,296</b>	<b>\$ 537,258</b>	<b>\$ 991,217</b>	<b>\$ 124,848</b>	<b>\$ 43,680</b>	<b>\$ 2,655,043</b>	<b>\$ 219,668</b>	<b>\$ 684,922</b>	<b>\$ 585,985</b>	<b>\$ 1,490,575</b>	<b>\$ 4,145,618</b>



**WOMEN'S FUNDING NETWORK**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2010**

	Program Services						Supporting Services				
	Conference	Member Services	Research and Policy	Education and Convening	Grant-making	Social Enterprise	Total Program Services	Management and General	Development	Total Supporting Services	Total
Staff	\$ 62,817	\$ 299,844	\$ 226,558	\$ 485,430	\$ 51,863	\$ 23,792	1,150,304	\$ 275,865	\$ 339,532	\$ 615,397	\$ 1,765,701
Outreach and professional development	1,079	6,913	3,012	11,150	366	175	22,695	4,546	7,575	12,121	34,816
Consultant fees and honoraria	107,238	259,093	401,826	237,139	772	235,199	1,241,267	145,389	71,036	216,425	1,457,692
Convening facilities and AV	15,468	10,679	9,420	30,284	-	-	65,851	2,140	-	2,140	67,991
Food	32,558	10,815	11,514	89,624	172	249	144,932	13,899	3,887	17,786	162,718
Travel	50,642	39,675	71,644	143,764	279	544	306,548	30,058	41,964	72,022	378,570
Materials development / printing	19,329	2,038	4,760	8,290	117	21	34,555	8,236	12,022	20,258	54,813
Grants and sponsorships	10,390	21,753	58,024	2,951	22,505	-	115,623	536	4,494	5,030	120,653
Evaluation	-	3,225	375	1,988	-	-	5,588	-	-	-	5,588
Mailing	2,731	820	4,956	3,976	52	23	12,558	1,875	2,684	4,559	17,117
Telephone	6,174	7,725	9,304	12,491	669	380	36,743	8,128	9,636	17,764	54,507
Office supplies	6,912	1,940	1,485	5,577	152	63	16,129	2,739	3,026	5,765	21,894
Office space	13,652	46,217	27,322	75,560	4,364	2,082	169,197	48,131	57,196	105,327	274,524
Equipment rental and repair	6,404	4,408	2,161	7,257	342	161	20,733	15,627	4,579	20,206	40,939
Depreciation and amortization	1,724	5,664	3,784	9,310	541	280	21,303	6,010	7,597	13,607	34,910
Licenses and permits	-	400	-	2,975	-	150	3,525	1,372	-	1,372	4,897
Bank fees and interest	175	586	343	951	56	27	2,138	12,654	716	13,370	15,508
Insurance	517	1,862	1,104	3,036	175	78	6,772	2,871	2,343	5,214	11,986
Bad debt	-	-	-	376,667	-	-	376,667	74	-	74	376,741
<b>Total expenses</b>	<b>\$ 337,810</b>	<b>\$ 723,657</b>	<b>\$ 837,592</b>	<b>\$ 1,508,420</b>	<b>\$ 82,425</b>	<b>\$ 263,224</b>	<b>\$ 3,753,128</b>	<b>\$ 580,150</b>	<b>\$ 568,287</b>	<b>\$ 1,148,437</b>	<b>\$ 4,901,565</b>

**NOTE 1 – ORGANIZATION**

Women's Funding Network (WFN) is one of the largest philanthropic affinity group of women in philanthropy. Collectively, the 155-member women's funds award over 7,000 grants annually to women-led, community-based organizations.

WFN provides services, tools, and support to member women's funds that improve and strengthen their fund-raising and grant-making to benefit women, girls, and entire communities. In partnership with member women's funds, WFN creates space and infrastructure for shared learning, grants measurement and evaluation, and leadership development for community organizations and individual women and girls around the world.

The Board of Directors of WFN also serves as the Board of Directors of Women's Funding Network Foundation ("WFNF"). WFNF was formed in April 2006 to support a class of public charities, including WFN and its member funds, that are committed to improving the status of women and girls locally, nationally, and globally.

The consolidated financial statements include the accounts of WFN and WFNF, referred to as "the Network." All material intercompany balances and transactions have been eliminated from the consolidated financial statements.

The Network is located in San Francisco, California. The Network supports its activities primarily through grants and contributions. The Network's program activities are as follows:

**Conference** – The WFN Annual Conference brings together women leaders in philanthropy for professional development and networking. The conference structure includes skill-building workshops for staff and board, peer-driven learning opportunities, thought leaders and content experts to inform on emerging issues and best practices in the field of philanthropy, and relevant social issues.

**Member services** – WFN offers a wide range of technical assistance and capacity-building services, programs, and events that benefit independent public women's foundations, private women's foundations, women's funds within community foundations or larger organizations, and funds based outside of the United States.

**Research and policy** – WFN research and policy strategies include monitoring public policy relevant to the status of women and girls, commissioning and conducting research to inform the field; and collaborating with key organizations and institutions as an expert resource in gender equality and analysis in philanthropy.

**Education and convening** – WFN convenes and coordinates member funds working across shared issues and strategies so that the Network is engaged in knowledge building and learning important for effective local grantmaking for greater impact.

**Transition** – In 2011, the organization underwent a CEO transition. The formal recruitment process included engagement with a search firm and a search committee comprised of current and former board members, and member fund representatives. This is not anticipated to be a recurring expense.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Method of accounting** – The consolidated financial statements of the Network have been prepared using the accrual method of accounting, which involves the recognition of revenues and gains when earned and expenses and losses when incurred.

**Cash and cash equivalents** – For purposes of the statements of cash flows, the Network considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Investments** – Investments in marketable securities are reported at their published market value. Donated securities that have not been sold at year-end are also reported as investments.

**Promises to give and grants receivable** – Grants and promises to give receivable represents unconditional commitments from foundations, corporations, and individuals that are recorded at their net realizable value less an allowance for uncollectible amounts based on historical averages.

## WOMEN'S FUNDING NETWORK

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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**Fixed assets and depreciation** – Fixed assets are stated at cost at the date of acquisition when purchased and fair market value when received as a donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method of depreciation. The Network capitalizes computers with a cost or fair value of \$750 or more and all other fixed asset acquisitions with a cost or fair value of \$1,000 or more and depreciates them, generally, over three to seven years.

**Income tax status** – WFN and WFNF are considered public charities and are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. WFN and WFNF are also exempt from State income tax. WFN is exempt from state tax under Minnesota Taxation Code Section 317A and WFNF under State of California Revenue and Taxation Code Section 23701(d), whereby only unrelated business income is subject to federal and state income tax. Management believes that all of the Network's income is related to its exempt purpose. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The Network has no unrecognized tax benefits or uncertain tax positions as of December 31, 2011 or 2010.

**Basis of presentation** – Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Network and changes therein are classified and reported as follows:

**Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations. The Board of Directors of the Network has designated portions of this class of net assets for various purposes.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Network and/or the passage of time.

**Permanently restricted** – Net assets subject to donor-imposed stipulations that specify the assets donated be invested to provide a permanent source of income. The Network had no permanently restricted net assets as of December 31, 2011 or 2010.

**Fair value of assets and liabilities** – Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of input that may be used to measure fair value:

- Level 1      Quoted prices in active markets for identical assets or liabilities.
- Level 2      Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3      Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

All of the Network's investments in the accompanying consolidated statements of financial position are measured at fair value on a recurring basis and are classified as Level 1 pursuant to the valuation hierarchy. Level 1 securities include mutual funds invested in various exchange traded equities and therefore are valued based on quoted market prices in an active market.

**Membership dues** – Membership dues are recognized as income when earned by members agreeing to renew their annual memberships.

**Accounting for restricted support** – The Network reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However, conference sponsorships that are received in the same year the conference is held are reported as unrestricted support and increase unrestricted net assets.

Gifts of fixed assets are recorded as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Network reports expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

**WOMEN'S FUNDING NETWORK**  
**NOTES TO CONDOLIDATED FINANCIAL STATEMENTS**

**Contributed services** – The Network records contributed services, at fair value, if the services either create or enhance a nonfinancial asset or would typically need to be purchased by the Network had they not been provided by volunteers, require special skills and are provided by individuals with those skills.

**Allocation of expenses** – Common expenses are allocated between program and supporting activities based on monthly time studies prepared by employees.

**Use of estimates** – The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates included in the accompanying consolidated financial statements are valuation of grants and promises to give receivable, valuation of investments, and functional allocation of expenses.

**Reclassification** – Certain 2010 amounts have been reclassified to conform to the 2011 consolidated financial statement presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

**Subsequent events** – Subsequent events are events or transactions that occur after the consolidated statement of financial position date but before the consolidated financial statements are issued. The Network recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statements of financial position, including the estimates inherent in the process of preparing the consolidated financial statements. The Network's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statements of financial position but arose after the consolidated statements of financial position date and before the consolidated financial statements were available to be issued.

The Network has evaluated subsequent events through May 8, 2012, which is the date the consolidated financial statements were available to be issued.

**NOTE 3 – INVESTMENTS**

Investments are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consisted of the following:

	<b>2011</b>	<b>2010</b>
Mutual funds – securities	\$ 1,534,234	\$ 2,506,223

The components of total investment return by net assets classification for 2011 are reflected below:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Interest	\$ 584	\$ -	\$ 584
Dividends	18,013	7,358	25,371
Capital gain distributions	32,532	-	32,532
Realized losses	(59,215)	-	(59,215)
Total investment income	(8,086)	7,358	(728)
Unrealized gains	(17,063)	-	(17,063)
Total investment return	\$ (25,149)	\$ 7,358	\$ (17,791)

**WOMEN'S FUNDING NETWORK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The components of total investment return by net assets classification for 2010 are reflected below:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest	\$ 30	\$ 2,127	\$ 2,157
Dividends	22,805	-	22,805
Capital gain distributions	11,957	-	11,957
Realized losses	(990)	-	(990)
	<hr/>	<hr/>	<hr/>
Total investment income	33,802	2,127	35,929
Unrealized gains	154,531	-	154,531
	<hr/>	<hr/>	<hr/>
Total investment return	<u>\$ 188,333</u>	<u>\$ 2,127</u>	<u>\$ 190,460</u>

**NOTE 4 - PROMISES TO GIVE AND GRANTS RECEIVABLE**

Unconditional promises to give and grants receivable are discounted to the anticipated net present value of the future cash flows. Promises to give are expected to be realized in the following periods:

	<u>2011</u>	<u>2010</u>
In one year or less	\$ 1,414,171	\$ 1,635,424
Between one year and five years	30,000	1,606,041
After five years	-	650,000
	<hr/>	<hr/>
	1,444,171	3,891,465
Less:		
Allowance for uncollectible promises to give	(1,500)	(319,401)
Unamortized discount	(2,157)	(463,595)
	<hr/>	<hr/>
	<u>\$ 1,440,514</u>	<u>\$ 3,108,469</u>

Discount rate was 3% for the years ended December 31, 2011 and 2010. Credit risk for grants and promises to give receivable is concentrated because substantially all of the balances are receivable from a few individuals and foundations.

**NOTE 5 - PROPERTY AND EQUIPMENT**

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$ 13,620	\$ 23,184
Equipment acquired under capital leases	24,833	24,833
Leasehold improvements	26,495	26,495
Software and related implementation	94,163	102,726
	<hr/>	<hr/>
	159,111	177,238
Less: accumulated depreciation	(120,820)	(105,087)
	<hr/>	<hr/>
	<u>\$ 38,291</u>	<u>\$ 72,151</u>

**WOMEN'S FUNDING NETWORK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 6 – OBLIGATIONS UNDER CAPITAL LEASE ARRANGEMENTS**

The Network acquired certain equipment under a noncancelable capital lease arrangement. This lease is accounted for by an increase in fixed assets and a corresponding increase in liabilities. The minimum future commitments under this arrangement at December 31, 2011, are as follows:

<u>Year ended December 31,</u>		
2012		\$ 9,058
2013		<u>755</u>
Total future commitment		9,813
Current maturity		(7,130)
Amount representing sales tax		(851)
Amount representing interest		<u>(1,156)</u>
Long term capital lease payable		<u><u>\$ 676</u></u>

Amortization expense related to this capital lease is recorded under depreciation expense. Total payments under this arrangement were \$9,242 and \$8,824 during the years ended December 31, 2011 and 2010, respectively.

**NOTE 7 – UNRESTRICTED NET ASSETS - BOARD DESIGNATED**

The Network's Board of Directors has designated unrestricted net assets for the following purposes:

	<u>2011</u>	<u>2010</u>
Reserve for future operations	\$ -	\$ 500,000
Opportunity fund	-	262,870
	<u>\$ -</u>	<u>\$ 762,870</u>

During the year ended December 31, 2011, the Board authorized use of all board-reserve funds to sustain vital program activities that were not fully-funded.

**NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available to support the following purposes:

	<u>2011</u>	<u>2010</u>
Conference	\$ 333,753	\$ 276,395
Member services	548,229	852,083
Research and policy	310,810	737,988
Education and convening	895,180	880,271
Grantmaking	150,452	489,905
Future periods activities	<u>1,095,249</u>	<u>2,617,146</u>
Total temporarily restricted net assets	3,333,673	5,853,788
Unamortized discount	(2,157)	(470,806)
Allowance for uncollectible promises to give	<u>(1,500)</u>	<u>(312,190)</u>
Temporarily restricted net assets, net of discount and allowance	<u><u>\$ 3,330,016</u></u>	<u><u>\$ 5,070,792</u></u>

**WOMEN'S FUNDING NETWORK**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 9 - DONATED SERVICES**

Donated services received and included in in-kind contributions on the statements of activities for the year ended December 31, 2011, consisted of:

	<u>Mangagement and General</u>	<u>Fundraising</u>	<u>Programs</u>	<u>Total 2011</u>
Legal fees	\$ 5,779	\$ 3,648	\$ 7,602	\$ 17,029
Travel	-	-	50,000	50,000
Other professional fees	-	-	8,000	8,000
Total	<u>\$ 5,779</u>	<u>\$ 3,648</u>	<u>\$ 65,602</u>	<u>\$ 75,029</u>

Donated services received and included in in-kind contributions on the statements of activities for the year ended December 31, 2010, consisted of:

	<u>Mangagement and General</u>	<u>Fundraising</u>	<u>Programs</u>	<u>Total 2010</u>
Legal fees	\$ -	\$ -	\$ 19,642	\$ 19,642
Travel	-	-	50,000	50,000
Other professional fees	-	1,753	22,149	23,902
Total	<u>\$ -</u>	<u>\$ 1,753</u>	<u>\$ 91,791</u>	<u>\$ 93,544</u>

Donated services received and included in in-kind contributions on the statements of activities for the years ended December 31, 2011 and 2010, consisted of \$75,029 and \$93,544, respectively, in legal fees, convening, and other professional fees that were recorded as programmatic and management and general expenses.

**NOTE 10 - RETIREMENT PLAN**

The Network contributed 10% of gross salaries to a 403(b) defined contribution plan for eligible employees. Total contributions to this plan were \$95,095 and \$122,128 for the years ended December 31, 2011 and 2010, respectively.

**NOTE 11 - COMMITMENTS UNDER OPERATING LEASE AGREEMENTS**

During the year ended December 31, 2009, the Network entered into a seven-year noncancellable lease arrangement for its office facility. The lease specifies scheduled rent payments over the lease term and has one option to renew for an additional five years. The minimum future commitments under this arrangement are:

<u>Year ended December 31,</u>	
2012	\$ 266,014
2013	273,935
2014	281,856
2015	289,777
2016	<u>122,115</u>
Total	<u>\$ 1,233,697</u>

The Network records its rent expense using the average of total scheduled lease payments over the lease term (straight-line method). The difference between the expense using the straight line method and the rent payments are recorded as deferred rent on the statements of financial position. Total rent payments under this arrangement for the year ended December 31, 2011 and 2010, was \$258,093 and \$250,172, respectively.

**NOTE 12 - RELATED PARTY TRANSACTION**

The Network made payments of grants to member nonprofit organizations whose employees are board members of the Network of \$0 and \$111,000 for the years ended December 31, 2011 and 2010, respectively.