



Compilation Report of Independent Accountants and
Consolidated Financial Statements

**Women's Funding Network
and Affiliate**

December 31, 2015

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

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COMPILATION REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
Women's Funding Network and Affiliate

Management is responsible for the accompanying consolidated financial statements of Women's Funding Network and Affiliate (together the "Network"), which comprise the consolidated statements of financial position as of December 31, 2015, and the related consolidated statement of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the accompanying consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.



San Francisco, California
February 13, 2017

CONSOLIDATED FINANCIAL STATEMENTS

WOMEN'S FUNDING NETWORK AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2015

ASSETS

Current assets:		
Cash and cash equivalents	\$	126,495
Investments		436,976
Promises to give and grants receivable		100,000
Prepaid expenses		21,170
		<hr/>
Total current assets		684,641
Promises to give and grants receivable, net		40,643
Property and equipment, net		8,430
		<hr/>
Total assets	\$	<u>733,714</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$	114,894
Accrued vacation liability		6,948
		<hr/>
Total current liabilities		121,842
Net assets:		
Unrestricted		441,013
Temporarily restricted		170,859
		<hr/>
Total net assets		611,872
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Total liabilities and net assets	\$	<u>733,714</u>

See Compilation Report of Accountants.

WOMEN'S FUNDING NETWORK AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT, REVENUE, GAINS, AND LOSSES			
Foundation and corporate grants	\$ 560,108	\$ -	\$ 560,108
Contributions	41,089	-	41,089
In-kind donations	10,400	-	10,400
Membership dues	148,947	-	148,947
Event fees and sponsorships	199,022	-	199,022
Fee for service income	-	-	-
Investment income (loss)	1,129	-	1,129
Unrealized gain from investments	(6,285)	-	(6,285)
Net assets released from restrictions	446,695	(446,695)	-
Total support, revenue, gains, and losses	<u>1,401,105</u>	<u>(446,695)</u>	<u>954,410</u>
EXPENSES			
Program services:			
Conference	371,921	-	371,921
Member services	139,902	-	139,902
Research, Policy, Education, and Grantmaking	367,374	-	367,374
Social enterprise	17,180	-	17,180
Supporting services:			
Communication	60,759	-	60,759
Management and general	169,959	-	169,959
Development	109,017	-	109,017
Total expenses	<u>1,236,112</u>	<u>-</u>	<u>1,236,112</u>
Change in net assets	164,993	(446,695)	(281,702)
Net assets at beginning of year	<u>276,020</u>	<u>617,554</u>	<u>893,574</u>
Net assets at end of year	<u>\$ 441,013</u>	<u>\$ 170,859</u>	<u>\$ 611,872</u>

WOMEN'S FUNDING NETWORK AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
Year Ended December 31, 2015

Cash flows used in operating activities:	
Change in net assets	\$ (281,702)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	1,317
Loss from disposals of property and equipment	9,878
Net gain from investments	6,285
Deferred rent	(49,313)
Changes in operating assets:	
Promises to give and grants receivable	131,957
Prepaid expenses	55,048
Deposits	24,423
Changes in operating liabilities:	
Accounts payable and accrued expenses	91,659
Accrued vacation liability	11,556
Deferred membership and social enterprise fees	(30,101)
Net cash used in operating activities	<u>(28,993)</u>
Cash flows from investing activities:	
Purchase of investments	<u>(1,046)</u>
Net cash used in investing activities	<u>(1,046)</u>
Net (decrease) in cash and cash equivalents	(30,039)
Cash and cash equivalents, beginning of the year	<u>156,534</u>
Cash and cash equivalents, end of the year	<u>\$ 126,495</u>

See Compilation Report of Accountants.

**WOMEN'S FUNDING NETWORK AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2015**

	Program Services				Supporting Services					Total
	Conference	Member Services	Research, Policy, Education, and Grantmaking	Social Enterprise	Total Program Services	Communication	Management and General	Development	Total Supporting Services	
Staff	\$ 7,480	\$ 82,286	\$ 167,205	\$ 7,481	\$ 264,452	\$ 37,403	\$ 139,817	\$ 64,829	\$ 242,049	\$ 506,501
Outreach and professional development	-	565	-	-	565	125	50	-	175	740
Consultant fees and honoraria	73,541	9,007	85,423	2,024	169,995	1,024	54,352	1,727	57,103	227,098
Convening facilities and AV	267,172	4,045	27,384	-	298,601	62	2,867	1,787	4,716	303,317
Travel	5,676	201	4,163	11	10,051	59	11,541	198	11,798	21,849
Materials development / printing	1,264	226	918	19	2,427	96	357	565	1,018	3,445
Grants and sponsorships	500	-	-	-	500	-	-	-	-	500
Evaluation	-	-	-	-	-	-	-	-	-	-
Mailing	45	69	107	17	238	23	407	138	568	806
Computers and telecommunications	132	2,842	2,345	3,931	9,250	3,324	3,292	641	7,257	16,507
Office supplies	248	148	303	14	713	118	447	297	862	1,575
Office space	767	8,434	16,357	767	26,325	3,834	54,979	6,645	65,458	91,783
Equipment rental and repair	-	-	-	-	-	-	-	-	-	-
Depreciation, amortization, and disposal	158	1,742	3,379	158	5,437	792	15,415	1,373	17,580	23,017
Admin Fees	571	787	1,528	72	2,958	358	1,607	7,509	9,474	12,432
Bank fees and interest	-	-	-	-	-	-	-	-	-	-
Insurance	174	1,914	3,712	174	5,974	870	3,248	1,508	5,626	11,600
Miscellaneous expense	1,281	-	953	-	2,234	109	2,172	27	2,308	4,542
In-kind expense	10,400	-	-	-	10,400	-	-	-	-	10,400
Overhead allocations	2,512	27,636	53,597	2,512	86,257	12,562	(120,592)	21,773	(86,257)	-
Total expenses	\$ 371,921	\$ 139,902	\$ 367,374	\$ 17,180	\$ 896,377	\$ 60,759	\$ 169,959	\$ 109,017	\$ 339,735	\$ 1,236,112

WOMEN'S FUNDING NETWORK AND AFFILIATE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

Women's Funding Network ("WFN") is one of the largest philanthropic affinity groups of women in philanthropy. Collectively, the 164-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, which 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, together 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.

Grantmaking – WFN receives funds from donors, some or all of which may be for the purpose of re-granting to other entities based on the donor's intent. Funds designated for re-granting are classified as temporarily restricted on the consolidated statements of financial position and are re-granted according to the terms of the agreements.

Social enterprise – WFN licenses proprietary software it has developed to third-party entities the revenue for which is recognized incrementally as earned.

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 fair market value. Donated securities that have not been sold at year-end are also reported as investments.

Promises to give and grants receivable – Promises to give and grants 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 AND AFFILIATE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Property and equipment – Property and equipment is stated at cost at the date of acquisition when purchased and fair 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 property and equipment acquisitions with a cost or fair value of \$1,000 or more and depreciates them, generally over three to seven years.

Agency transactions – The Network receives funds from donors for the purpose of re-granting to other entities based on the donors' wishes and classifies these as agency transactions on the statements of financial position. The funds are distributed according to the terms of the agreements.

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 both WFN and WFNF under State of California Revenue and Taxation Code Section 23701d. 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, 2015.

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, 2015.

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 over the membership period.

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 statement 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.

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

Gifts of property and equipment are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets 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.

In-kind donations – The Network records in-kind donations 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, required special skills, and were 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 promises to give and grants receivable, valuation of investments, and functional allocation of expenses.

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 February 13, 2017, 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 consist of mutual funds.

The components of total unrestricted investment return for the year ended December 31, 2015, are reflected below:

Interest	\$	79
Dividends		<u>1,050</u>
Total investment gain		1,129
Unrealized gains (losses)		<u>(6,285)</u>
Total investment return	\$	<u><u>(5,156)</u></u>

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

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 at December 31, 2015:

In one year or less	\$ 100,000
Between one year and five years	44,300
	<u>144,300</u>
Less:	
Allowance for uncollectible promises to give	(2,157)
Unamortized discount	<u>(1,500)</u>
	<u>\$ 140,643</u>

The discount rate was 1.6% for the year ended December 31, 2015. 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

Property and equipment was as follows at December 31, 2015:

Software and related implementation	\$ 98,112
	<u>98,112</u>
Less: accumulated depreciation	<u>(89,682)</u>
	<u>\$ 8,430</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available to support the following purposes for the year ended December 31, 2015:

Partnership for Women's Prosperity	\$ 120,441
Leadership in Equity And Diversity	<u>50,418</u>
Total temporarily restricted net assets	<u>\$ 170,859</u>

NOTE 7 - IN-KIND DONATIONS

In-kind donations received for the year ended December 31, 2015, consisted of:

	<u>Management and General</u>	<u>Fundraising</u>	<u>Programs</u>	<u>Total 2015</u>
Travel	\$ 6,800	\$ -	\$ 3,600	\$ 10,400
Total	<u>\$ 6,800</u>	<u>\$ -</u>	<u>\$ 3,600</u>	<u>\$ 10,400</u>

NOTE 8 - 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 \$11,300 for the year ended December 31, 2015.