



*Report of Independent Auditors and  
Consolidated Financial Statements*

**Women's Funding Network and Affiliate**

*December 31, 2017*



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## **Report of Independent Auditors**

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

### **Report on Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Women's Funding Network and Women's Funding Network Foundation (collectively the "Network"), which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

#### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Network's preparation and fair presentation of the consolidated 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 Network'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Women's Funding Network and Women's Funding Network Foundation as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Moss Adams LLP*

San Francisco, California  
July 10, 2018

## **Consolidated Financial Statements**

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**Women's Funding Network and Affiliate**  
**Consolidated Statement of Financial Position**  
**December 31, 2017**

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**ASSETS**

Current assets:		
Cash and cash equivalents	\$	391,541
Investments		360,344
Pledges receivable		501,500
Prepaid expenses		<u>15,895</u>
Total current assets		1,269,280
Long term pledges receivable		491,500
Property and equipment, net		<u>3,756</u>
Total assets	\$	<u><u>1,764,536</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable and accrued expenses	\$	43,715
Accrued vacation liability		<u>21,778</u>
Total liabilities		<u>65,493</u>
Net assets:		
Unrestricted		556,043
Temporarily restricted		<u>1,143,000</u>
Total net assets		<u>1,699,043</u>
Total liabilities and net assets	\$	<u><u>1,764,536</u></u>

**Women's Funding Network and Affiliate**  
**Consolidated Statement of Activities**  
**Year Ended December 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>SUPPORT, REVENUE, AND GAINS</b>			
Foundation and corporate grants	\$ 372,825	\$ 1,804,500	\$ 2,177,325
Contributions	32,791	-	32,791
Membership dues	124,151	-	124,151
Event fees and sponsorships	199,537	-	199,537
Investment income	22,711	-	22,711
Unrealized gain from investments	30,475	-	30,475
Other income	73,760	-	73,760
Net assets released from restrictions	811,500	(811,500)	-
	<u>1,667,750</u>	<u>993,000</u>	<u>2,660,750</u>
Total support, revenue, and gains			
<b>EXPENSES</b>			
Program services:			
Conference	350,939	-	350,939
Member services	227,018	-	227,018
Research and policy	162,588	-	162,588
Education and convening	534,409	-	534,409
Grantmaking	49,000	-	49,000
Social enterprise	6,817	-	6,817
Supporting services:			
Management and general	146,209	-	146,209
Development	63,406	-	63,406
	<u>1,540,386</u>	<u>-</u>	<u>1,540,386</u>
Total expenses			
Change in net assets	127,364	993,000	1,120,364
Net assets at beginning of year	428,679	150,000	578,679
Net assets at end of year	<u>\$ 556,043</u>	<u>\$ 1,143,000</u>	<u>\$ 1,699,043</u>

**Women's Funding Network and Affiliate**  
**Consolidated Statement of Functional Expenses**  
**Year Ended December 31, 2017**

	Program Services						Supporting Services				Total
	Conference	Member Services	Research and Policy	Education and Convening	Grant-making	Social Enterprise	Total Program Services	Management and General	Development	Total Supporting Services	
Staff	\$ 173,000	\$ 138,000	\$ 100,000	\$ 130,408	\$ 49,000	\$ -	\$ 590,408	\$ 49,148	\$ 52,000	\$ 101,148	\$ 691,556
Outreach and professional development	86,832	25,706	-	284,572	-	-	397,110	20,865	1,720	22,585	419,695
Consultant fees and honoraria	86,170	62,675	62,588	109,240	-	2,235	322,908	-	8,717	8,717	331,625
Travel	1,506	117	-	2,984	-	-	4,607	4,257	-	4,257	8,864
Materials development / printing	840	-	-	-	-	-	840	2,383	849	3,232	4,072
Mailing	-	-	-	837	-	-	837	32	-	32	869
Telephone	-	-	-	2,180	-	-	2,180	4,677	-	4,677	6,857
Office supplies	1,143	-	-	619	-	-	1,762	1,097	120	1,217	2,979
Office space	-	-	-	3,044	-	-	3,044	26,164	-	26,164	29,208
Equipment rental and repair	-	520	-	-	-	4,582	5,102	18,659	-	18,659	23,761
Depreciation, amortization and disposal	-	-	-	-	-	-	-	10,963	-	10,963	10,963
Bank fees and interest	-	-	-	-	-	-	-	150	-	150	150
Insurance	-	-	-	-	-	-	-	7,800	-	7,800	7,800
Miscellaneous	1,448	-	-	525	-	-	1,973	14	-	14	1,987
<b>Total expenses</b>	<b>\$ 350,939</b>	<b>\$ 227,018</b>	<b>\$ 162,588</b>	<b>\$ 534,409</b>	<b>\$ 49,000</b>	<b>\$ 6,817</b>	<b>\$ 1,330,771</b>	<b>\$ 146,209</b>	<b>\$ 63,406</b>	<b>\$ 209,615</b>	<b>\$ 1,540,386</b>



**Women's Funding Network and Affiliate**  
**Consolidated Statement of Cash Flows**  
**Year Ended December 31, 2017**

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Cash flows from operating activities:	
Change in net assets	\$ 1,120,364
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	10,963
Net gain from investments	(53,186)
Change in operating assets:	
Promises to give	(993,000)
Prepaid expenses	(2,490)
Change in operating liabilities:	
Accounts payable and accrued expenses	13,638
Accrued vacation liability	8,888
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Net cash provided by operating activities	105,177
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Cash flows from investing activities:	
Proceeds from sale of investments	521
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Net cash used in investing activities	521
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Net change in cash and cash equivalents	105,698
Cash and cash equivalents, beginning of the year	285,843
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Cash and cash equivalents, end of the year	\$ 391,541
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# Women's Funding Network and Affiliate

## Notes to Consolidated Financial Statements

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### NOTE 1 – ORGANIZATION

Women's Funding Network ("WFN") is one of the largest philanthropic affinity groups of women's foundations and other funders of gender equality. Collectively, its 100 members awarded over \$74,690,477 in grants to women-led, community-based organizations working to improve the lives of women and girls. WFN provides services, tools, and support to its members, which improve and strengthen their impact. WFN provides the space and infrastructure for shared learning, leadership development, communications and messaging tools, and other resources critical to the ongoing work of its members in establishing gender equality in communities around the world.

The Board of Directors of WFN also serves as the Board of Directors of Women's Funding Network Foundation ("WFNF") which was established in 2008 for a new program, which was discontinued. The WFNF was eliminated in July 2017 due to lack of use.

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:

**Convenings** – The WFN Annual Conference and Convenings 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.

### 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.

## Women's Funding Network and Affiliate Notes to Consolidated Financial Statements

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**Cash and cash equivalents** – For purposes of the statement 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 value. Donated securities that have not been sold at year-end are also reported as investments.

**Pledges 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. No allowance for doubtful accounts is considered necessary at December 31, 2017. Discounts are applied to pledges receivable with expected payments to be received greater than a year. Receivables were not discounted for the current year as the discount was not material to the 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.

**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, 2017.

**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 did not have any permanently restricted net assets as of December 31, 2017.

**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.

## Women's Funding Network and Affiliate Notes to Consolidated Financial Statements

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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 statement 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.

**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 consolidated 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.

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.

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

**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.

## Women's Funding Network and Affiliate Notes to Consolidated Financial Statements

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**Recent accounting pronouncements** – In August 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-profit Entities*. The amendments in the ASU makes improvements to the information provided in financial statements and accompanying notes of not-for-profit entities. The amendments set forth the FASB’s improvements to net asset classification requirements and the information presented about a not-for-profit entity’s liquidity, financial performance, and cash flows. The amendments in the update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Application to interim financial statements is permitted but not required in the initial year of application. Early application of the amendments in the update is permitted and applied retrospectively. The Network is currently evaluating the impact of this pronouncement on its consolidated financial statements.

**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 available to be 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 statement 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 statement of financial position but arose after the consolidated statement of financial position date and before the consolidated financial statements were available to be issued.

The Network has evaluated subsequent events through July 10, 2018, which is the date the consolidated financial statements were available to be issued.

### NOTE 3 – PLEDGES RECEIVABLE

Pledges receivable as of December 31, 2017, are due as follows:

Pledges less than one year	\$ 501,500
Between one and five years	<u>491,500</u>
Total	<u><u>\$ 993,000</u></u>

### NOTE 4 – INVESTMENTS

Investments are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of international mutual funds.

## Women's Funding Network and Affiliate Notes to Consolidated Financial Statements

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The components of total unrestricted investment return for the year ended December 31, 2017, is reflected below:

Interest	\$ 407
Dividends	1,326
Capital gain distributions	<u>20,978</u>
Total investment gain	22,711
Unrealized gains	<u>30,475</u>
Total investment return	<u><u>\$ 53,186</u></u>

### NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2017, consists of:

Software and related implementation	<u>\$ 9,384</u>
	9,384
Less: accumulated depreciation	<u>(5,628)</u>
	<u><u>\$ 3,756</u></u>

### NOTE 6 – TEMPORARILY RESTRICTED NET ASSETS

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

Conference	\$ 210,845
Education and convening	<u>932,155</u>
Total temporarily restricted net assets	<u><u>\$ 1,143,000</u></u>

### NOTE 7 – RETIREMENT PLAN

The Network contributed 5% of gross salaries to a 403(b) defined contribution plan for eligible employees. Total contributions to this plan were \$22,382 for the year ended December 31, 2017.

