

Financial Statements

Women's Funding Network
(a nonprofit organization)
Years Ended December 31, 2019 and 2018



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Women's Funding Network
San Francisco, California

We have audited the accompanying financial statements of Women's Funding Network which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 audits 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 Women's Funding Network as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Women's Funding Network 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 29, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harris CPAs

Meridian, Idaho
May 18, 2020



WOMEN'S FUNDING NETWORK
STATEMENTS OF FINANCIAL POSITION
December 31, 2019
With Comparative Totals as of December 31, 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Assets		
Cash	\$ 1,000,609	\$ 173,569
Investments	31,298	46,542
Pledges receivable	0	491,500
Prepaid expenses	0	12,333
Equipment, net	<u>0</u>	<u>628</u>
Total Assets	<u>\$ 1,031,907</u>	<u>724,572</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 19,494	\$ 39,241
Accrued payroll and related costs	<u>8,330</u>	<u>33,172</u>
Total Current Liabilities	27,824	72,413
Net Asset		
Without donor restrictions	818,671	160,659
With donor restrictions	<u>185,412</u>	<u>491,500</u>
Total Net Assets	<u>1,004,083</u>	<u>652,159</u>
Total Liabilities and Net Assets	<u>\$ 1,031,907</u>	<u>\$ 724,572</u>

See notes to financial statements.

WOMEN'S FUNDING NETWORK
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
Revenues and Support				
Contributions	\$ 140,257	\$ 5,200	\$ 145,457	\$ 165,032
Grants	649,388	253,600	902,988	10,000
Special events	360,003		360,003	47,165
Membership dues	204,725		204,725	178,382
Investment income	10,641		10,641	8,919
Other income	5		5	800
Net assets released from restrictions	<u>564,888</u>	<u>(564,888)</u>	<u>0</u>	<u>0</u>
Total Revenues and Support	1,929,907	(306,088)	1,623,819	410,298
Expenses				
Program services	789,899	0	789,899	1,098,827
Supporting services				
Administrative	337,117	0	337,117	225,141
Fundraising	<u>144,879</u>	<u>0</u>	<u>144,879</u>	<u>133,214</u>
Total Supporting Services	<u>481,996</u>	<u>0</u>	<u>481,996</u>	<u>358,355</u>
Total Expenses	<u>1,271,895</u>	<u>0</u>	<u>1,271,895</u>	<u>1,457,182</u>
Change in Net Assets	658,012	(306,088)	351,924	(1,046,884)
Net Assets				
Beginning of Year	<u>160,659</u>	<u>491,500</u>	<u>652,159</u>	<u>1,699,043</u>
End of Year	<u>\$ 818,671</u>	<u>\$ 185,412</u>	<u>\$ 1,004,083</u>	<u>\$ 652,159</u>

See notes to financial statements.

WOMEN'S FUNDING NETWORK
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>2019 Total</u>	<u>2018 Total</u>
Salaries, taxes and benefits	\$ 67,175	\$ 248,512	\$ 138,284	\$ 453,971	\$ 625,334
Professional fees and consulting	247,179	29,924	4,600	281,703	321,334
Conference and travel	257,810	2,614	1,494	261,918	29,780
Grants	205,600			205,600	246,438
Office	6,184	20,205	293	26,682	24,871
Facility	134	23,307		23,441	45,453
Other women's benefit services	999	3,063		4,062	103,741
Depreciation		627		627	3,128
Miscellaneous	<u>4,818</u>	<u>8,865</u>	<u>208</u>	<u>13,891</u>	<u>57,103</u>
Total Expenses	<u>\$ 789,899</u>	<u>\$ 337,117</u>	<u>\$ 144,879</u>	<u>\$ 1,271,895</u>	<u>\$ 1,457,182</u>

See notes to financial statements.

WOMEN'S FUNDING NETWORK
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 351,924	\$ (1,046,884)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	627	3,128
Realized gain on sale of investments	(3,019)	(5,015)
Unrealized loss (gain) on investments	(6,242)	2,742
Changes in operating assets and liabilities:		
Accounts receivable	491,500	501,500
Prepaid expenses	12,333	3,562
Accounts payable	(19,747)	6,976
Accrued payroll and other liabilities	<u>(24,842)</u>	<u>(56)</u>
Net Cash Provided (Used) by Operating Activities	802,534	(534,047)
Cash Flows From Investing Activities		
Purchase of investments	0	(128,030)
Proceeds from sale of investments	<u>24,506</u>	<u>444,105</u>
Net Cash Provided (Used) by Investing Activities	<u>24,506</u>	<u>316,075</u>
Net Change in Cash and Cash Equivalents	827,040	(217,972)
Cash and Cash Equivalents – Beginning of Year	<u>173,569</u>	<u>391,541</u>
Cash and Cash Equivalents – End of Year	<u>\$ 1,000,609</u>	<u>\$ 173,569</u>

See notes to financial statements.

WOMEN'S FUNDING NETWORK

NOTES TO THE FINANCIAL STATEMENTS

Note A – Significant Accounting Policies

Nature of Network

Women's Funding Network, (WFN) is one of the largest philanthropic networks of women's foundations, funders in gender equity, and aligned organizations and individuals. Collectively, the over 100 members awarded \$75,000,000 in grants to women-led, community based non-profits working to improve the lives of women and girls in the United States and internationally. WFN provides services, tools, and support to its members, which improve and strengthen their impact. Additionally, WFN hosts events and conferences for its members and partners and all those interested in any and all aspects of gender equity. The events include a biennial conference, and regional summits, and are international in scope and elevate motivational speakers, networking opportunities and providing applicable strategies for attendees to consider with the goal of amplifying the need for action to achieve the change we wish to see in the world.

Working collaboratively with members, WFN identifies and supports specific projects. These projects contain key traits that are scalable and capable of effecting change far outside of just one community. These projects are funded through restricted grant dollars, and high-leverage, focused on solutions that yield the maximum result for the resources put into them.

The Women's Funding Network 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 equity in communities around the world. WFN is located in San Francisco, California, and is supported through a combination of membership dues, grants and individual contributions.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Network reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

WOMEN'S FUNDING NETWORK

NOTES TO THE FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Accounting Pronouncements Adopted

For the year ended December 31, 2019, the Network adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

Use of Estimates

The Network uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and cash equivalents

The Network considers all unrestricted, short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. It is the Network's policy to capitalize purchases of capital assets greater than \$500. As of December 31, 2019 all assets were fully depreciated.

Concentrations

Financial instruments that potentially subject the Network to significant concentrations of credit risk consist principally of financial institution balances. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2019, the Network's had uninsured cash balances of \$717,326. There were no uninsured balances as of December 31, 2018.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

WOMEN'S FUNDING NETWORK

NOTES TO THE FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Fair Value

The Network uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

Revenue and Revenue Recognition

Membership dues, which are nonrefundable, are an exchange transaction based on the value of benefits provided. The Network recognizes membership dues over the membership period and these contracts are generally accounted for as a single performance obligation. This coincides with the Network's fiscal year. Events and service revenue is recognized at the point in time when the event takes place. Event revenue contracts typically contain a single performance obligation, which consists of providing sponsorship and access to the event.

In-kind Donations

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Contributions, Pledges and Donor Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Restricted donations received and expended in the same year are reported as unrestricted.

The pledge receivable in 2018 was related to 1 contributor. The pledge was collected in full during 2019 and no allowance was determined necessary in 2018. Additionally, any discount was determined to be insignificant to the financial statements and was not recorded.

WOMEN'S FUNDING NETWORK

NOTES TO THE FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation, benefits and related occupancy costs, which are allocated on the basis of estimates of time and effort. Admin expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Network.

Income Tax Status

The Network is classified as a Section 501(c)(3) that is exempt from income taxes under the Federal Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Network may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2019 and 2018.

The Network files Form 990 in the U.S. federal jurisdiction. The Foundation is generally no longer subject to examination by the Internal Revenue Service for years before 2016.

Reclassifications

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. Net position and change in net position are unchanged due to these reclassifications.

Subsequent Events

The Network has evaluated subsequent events through May 18, 2020, which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operations; however the related financial impact and duration cannot be reasonably estimated at this time.

WOMEN'S FUNDING NETWORK
NOTES TO THE FINANCIAL STATEMENTS

Note B – Liquidity and Availability of Resources

The Network's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Total financial assets available within one year		
Cash	\$	1,000,609
Investments		<u>31,298</u>
Total financial assets available within one year		1,031,907
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions		<u>185,412</u>
Total financial assets available within one year after restriction	\$	<u>846,495</u>

As part of the Network's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2019, all net assets without donor restrictions are available for payment of any major expenditures incurred.

Note C – Net Assets

The Network does not have any board designated net assets. The detail of the Network's net asset categories at December 31, is as follows:

	<u>2019</u>	<u>2018</u>
Without donor restrictions	\$ 818,671	\$ 160,659
With donor restrictions:		
Kellogg Foundation	0	491,500
Racial Equity in Philanthropy	61,667	0
History of Women's Funds and Foundations	64,500	0
Ford Foundation	56,400	0
Unexpended funds – Other	<u>2,845</u>	<u>0</u>
	<u>185,412</u>	<u>491,500</u>
	<u>\$ 1,004,083</u>	<u>\$ 652,159</u>

WOMEN'S FUNDING NETWORK
NOTES TO THE FINANCIAL STATEMENTS

Note D – Investments

Investments as of December 31, are summarized as follows:

	<u>2019</u>	<u>2018</u>
Cost	\$ 27,798	\$ 49,284
Unrealized gain (loss)	<u>3,500</u>	<u>(2,742)</u>
Fair value	<u>\$ 31,298</u>	<u>\$ 46,542</u>

Investment income consists of the following for the year ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 1,380	\$ 6,646
Realized gain (loss)	3,019	5,015
Unrealized gain (loss)	<u>6,242</u>	<u>(2,742)</u>
Total investment income	<u>\$ 10,641</u>	<u>\$ 8,919</u>

Investment income above includes interest from cash accounts during the year in addition to financial instrument related assets.

Note E – Fair Value of Assets and Liabilities

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

- Level 2 Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value instrument.

WOMEN'S FUNDING NETWORK
NOTES TO THE FINANCIAL STATEMENTS

Note E – Fair Value of Assets and Liabilities (Continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The Center holds actively traded mutual funds measured using Level 1 inputs.

The following table sets forth by level, within the fair value hierarchy, the Network's investments at fair value as of December 31, 2019:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 31,298	\$ 31,298	\$ 0	\$ 0

The following table sets forth by level, within the fair value hierarchy, the Network's investments at fair value as of December 31, 2018:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 46,542	\$ 46,542	\$ 0	\$ 0

Note F – Defined Contribution Plan

The Network contributes 5% of gross salaries to a 403(b) defined contribution plan for eligible employees. Under the plan, authorized and funded employer contributions for the years ended December 31, 2019 and 2018 was \$19,012 and \$6,191, respectively.