

Financial Statements

Women's Funding Network
(a nonprofit organization)
Years Ended December 31, 2020 and 2019



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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, 2020 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, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 18, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harris CPAs

Meridian, Idaho
May 4, 2021



WOMEN'S FUNDING NETWORK
STATEMENTS OF FINANCIAL POSITION
December 31, 2020
With Comparative Totals as of December 31, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Assets		
Cash	\$ 1,757,083	\$ 1,000,609
Investments	36,167	31,298
Prepaid expenses	3,300	0
Property and equipment, net	<u>1,914</u>	<u>0</u>
Total Assets	<u>\$ 1,798,464</u>	<u>\$ 1,031,907</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 22,631	\$ 19,494
Accrued payroll and related costs	31,545	8,330
Refundable advance – PPP loan	<u>88,309</u>	<u>0</u>
Total Liabilities	142,485	27,824
Net Asset		
Without donor restrictions	221,520	230,950
With donor restrictions	<u>1,434,459</u>	<u>773,133</u>
Total Net Assets	<u>1,655,979</u>	<u>1,004,083</u>
Total Liabilities and Net Assets	<u>\$ 1,798,464</u>	<u>\$ 1,031,907</u>

See notes to financial statements.

WOMEN'S FUNDING NETWORK
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
Revenues and Support				
Contributions	\$ 262,599	\$ 0	\$ 262,599	\$ 145,457
Grants	111,000	2,137,987	2,248,987	902,988
Special events	552		552	360,003
Membership dues	197,920		197,920	204,725
Investment income	5,335		5,335	10,641
Other income	<u>0</u>		<u>0</u>	<u>5</u>
	577,406	2,137,987	2,715,393	1,623,819
Net assets released from restrictions	<u>1,476,661</u>	<u>(1,476,661)</u>	<u>0</u>	<u>0</u>
Total Revenues and Support	2,054,067	661,326	2,715,393	1,623,819
Expenses				
Program services	1,694,825	0	1,694,825	789,899
Supporting services				
Administrative	255,551	0	255,551	337,117
Fundraising	<u>113,121</u>	<u>0</u>	<u>113,121</u>	<u>144,879</u>
Total Supporting Services	<u>368,672</u>	<u>0</u>	<u>368,672</u>	<u>481,996</u>
Total Expenses	<u>2,063,497</u>	<u>0</u>	<u>2,063,497</u>	<u>1,271,895</u>
Change in Net Assets	(9,430)	661,326	651,896	351,924
Net Assets				
Beginning of Year, as adjusted (Note A)	<u>230,950</u>	<u>773,133</u>	<u>1,004,083</u>	<u>652,159</u>
End of Year	<u>\$ 221,520</u>	<u>\$ 1,434,459</u>	<u>\$ 1,655,979</u>	<u>\$ 1,004,083</u>

See notes to financial statements.

WOMEN'S FUNDING NETWORK
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
Salaries, taxes and benefits	\$ 321,435	\$ 172,106	\$ 102,573	\$ 596,114	\$ 453,971
Grants	847,000			847,000	205,600
Professional fees and consulting	452,466	52,456	1,345	506,267	281,703
Office	20,701	11,117	6,517	38,335	26,682
Membership benefits	29,094	509		29,603	4,062
Conference and travel	11,324	5,125	72	16,521	261,918
Facility	8,304	4,459	2,614	15,377	23,441
Depreciation		101		101	627
Miscellaneous	<u>4,501</u>	<u>9,678</u>	<u> </u>	<u>14,179</u>	<u>13,891</u>
Total Expenses	<u>\$ 1,694,825</u>	<u>\$ 255,551</u>	<u>\$ 113,121</u>	<u>\$ 2,063,497</u>	<u>\$ 1,271,895</u>

See notes to financial statements.

WOMEN'S FUNDING NETWORK
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 651,896	\$ 351,924
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	101	627
Realized gain on sale of investments	0	(3,019)
Unrealized loss (gain) on investments	(4,511)	(6,242)
Changes in operating assets and liabilities:		
Accounts receivable	0	491,500
Prepaid expenses	(3,300)	12,333
Accounts payable	3,137	(19,747)
Refundable advance – PPP loan	88,309	0
Accrued payroll and other liabilities	<u>23,215</u>	<u>(24,842)</u>
Net Cash Provided (Used) by Operating Activities	758,847	802,534
Cash Flows From Investing Activities		
Purchase of equipment	(2,015)	0
Purchase of investments	(358)	0
Proceeds from sale of investments	<u>0</u>	<u>24,506</u>
Net Cash Provided (Used) by Investing Activities	<u>(2,373)</u>	<u>24,506</u>
Net Change in Cash and Cash Equivalents	756,474	827,040
Cash and Cash Equivalents – Beginning of Year	<u>1,000,609</u>	<u>173,569</u>
Cash and Cash Equivalents – End of Year	<u>\$ 1,757,083</u>	<u>\$ 1,000,609</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-member network 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—which are international in scope—that focus on elevating 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 are highly leveraged and 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)

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. Property and equipment is depreciated over an estimated useful life of five years on a straight-line basis. The Network's property and equipment was net of \$9,485 of accumulated depreciation as of December 31, 2020.

Concentration of Credit Risk

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, 2020 and 2019, the Network had uninsured cash balances of \$1,492,291 and \$717,326, respectively.

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.

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 2020 and 2019.

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 2017.

Prior Period Adjustment

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. At December 31, 2019, net assets with donor restrictions have been adjusted to \$773,133 to reflect certain grant restrictions. The correction has no effect on the results of the current year's activities; however, the cumulative effect increases net assets with donor restrictions by \$587,721 at December 31, 2019. Net assets with donor restrictions were previously reported at \$185,412 in the December 31, 2019 financial statements.

Subsequent Events

The Network has evaluated subsequent events through May 4, 2021 which is the date the financial statements were available to be issued.

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	\$ 1,757,083
Investments	<u>36,167</u>
Total financial assets available within one year	1,793,250
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>1,434,459</u>
Total financial assets available within one year after restriction	<u>\$ 358,791</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, 2020, 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>2020</u>	<u>2019</u>
Without donor restrictions	\$ 221,520	\$ 230,950
With donor restrictions:		
Bill and Melinda Gates Foundation	1,185,361	499,388
Kellogg Foundation	197,403	0
Coke	0	150,000
History of Women's Funds and Foundations	49,000	64,500
Ford Foundation	0	56,400
Unexpended funds – Other	<u>2,695</u>	<u>2,845</u>
	<u>1,434,459</u>	<u>773,133</u>
	<u>\$ 1,655,979</u>	<u>\$ 1,004,083</u>

WOMEN'S FUNDING NETWORK
NOTES TO THE FINANCIAL STATEMENTS

Note D – Investments

Investments as of December 31, are summarized as follows:

	<u>2020</u>	<u>2019</u>
Cost	\$ 28,156	\$ 27,798
Unrealized gain	<u>8,011</u>	<u>3,500</u>
Fair value	<u>\$ 36,167</u>	<u>\$ 31,298</u>

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

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 618	\$ 1,380
Deposits	206	0
Realized gain	0	3,019
Unrealized gain	<u>4,511</u>	<u>6,242</u>
Total investment income	<u>\$ 5,335</u>	<u>\$ 10,641</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 Network 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, 2020:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 36,167	\$ 36,167	\$ 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, 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

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, 2020 and 2019 was \$0 and \$19,012, respectively.

WOMEN'S FUNDING NETWORK

NOTES TO THE FINANCIAL STATEMENTS

Note G – Refundable Advance

In May 2020, the Network received loan proceeds in the amount of \$88,309 under the Paycheck Protection Program (“PPP”) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Network is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Network has initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. Proceeds from the loan are eligible for forgiveness if the Network maintains employment levels during its 24-week covered period and uses the funds for certain payroll, rent, and utility expenses. No contribution revenue has been recorded for the year ended December 31, 2020. The Network will be required to repay any remaining balance, plus interest accrued at 1% per annum in monthly payments beginning in September 2021. Principal and interest payments will be required through the maturity date in May 2022.

Note H – Risks and Uncertainties

The COVID-19 pandemic is having significant effects on markets, supply chains, businesses, and communities. The extent of the impact of COVID-19 on the Network’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Network’s funding sources, volunteers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Network’s financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The Network obtained a \$88,309 loan under the Paycheck Protection Program to supplement payroll and other costs. See Note G for additional information