

# Financial Statements

Women's Funding Network  
(a nonprofit organization)  
Years Ended December 31, 2021 and 2020



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## INDEPENDENT AUDITORS' REPORT

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

### Opinion

We have audited the financial statements of Women's Funding Network, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Women's Funding Network as of December 31, 2021, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Women's Funding Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Funding Network's ability to continue as a going concern for one year after the date that the financial statements are issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute





assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Women's Funding Network's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women's Funding Network's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### **Report on Summarized Comparative Information**

We have previously audited Women's Funding Network's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 1, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Harris CPAs*

Meridian, Idaho  
September 30, 2022

**WOMEN'S FUNDING NETWORK**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2021**  
**With Comparative Totals as of December 31, 2020**

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	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>Assets</b>		
Cash	\$ 4,319,725	\$ 1,757,083
Investments	40,241	36,167
Grant receivables	125,000	0
Prepaid expenses	0	3,300
Property and equipment, net	<u>15,855</u>	<u>1,914</u>
 Total Assets	 <u>\$ 4,500,821</u>	 <u>\$ 1,798,464</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 60,531	\$ 22,631
Accrued payroll and related costs	39,817	31,545
Refundable advance – PPP loan	<u>0</u>	<u>88,309</u>
 Total Liabilities	 100,348	 142,485
<b>Net Assets</b>		
Without donor restrictions	4,352,973	701,095
With donor restrictions	<u>47,500</u>	<u>954,884</u>
 Total Net Assets	 <u>4,400,473</u>	 <u>1,655,979</u>
 Total Liabilities and Net Assets	 <u>\$ 4,500,821</u>	 <u>\$ 1,798,464</u>

See notes to financial statements.

**WOMEN'S FUNDING NETWORK**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for the Year Ended December 31, 2020**

	Without Donor	With Donor	2021	2020
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>	<u>Total</u>
<b>Revenues and Support</b>				
Grants	\$ 3,285,000	\$ 1,771,075	\$ 5,056,075	\$ 2,248,987
Contributions	323,965		323,965	262,599
Membership dues	244,351		244,351	197,920
PPP loan grant	88,309		88,309	0
Special events	48,124		48,124	552
Investment income	<u>4,562</u>		<u>4,562</u>	<u>5,335</u>
	3,994,311	1,771,075	5,765,386	2,715,393
Net assets released from restrictions	<u>2,678,459</u>	<u>(2,678,459)</u>	<u>0</u>	<u>0</u>
Total Revenues and Support	6,672,770	(907,384)	5,765,386	2,715,393
<b>Expenses</b>				
Program services	2,733,831	0	2,733,831	1,694,825
Supporting services				
Administrative	254,975	0	254,975	255,551
Fundraising	<u>32,086</u>	<u>0</u>	<u>32,086</u>	<u>113,121</u>
Total Supporting Services	<u>287,061</u>	<u>0</u>	<u>287,061</u>	<u>368,672</u>
Total Expenses	<u>3,020,892</u>	<u>0</u>	<u>3,020,892</u>	<u>2,063,497</u>
Change in Net Assets	3,651,878	(907,384)	2,744,494	651,896
<b>Net Assets</b>				
Beginning of Year, as adjusted (Note A)	<u>701,095</u>	<u>954,884</u>	<u>1,655,979</u>	<u>1,004,083</u>
End of Year	<u>\$ 4,352,973</u>	<u>\$ 47,500</u>	<u>\$ 4,400,473</u>	<u>\$ 1,655,979</u>

See notes to financial statements.

**WOMEN'S FUNDING NETWORK**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for the Year Ended December 31, 2020**

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	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>2021 Total</u>	<u>2020 Total</u>
Grants	\$ 1,414,524	\$ 0	\$ 0	\$ 1,414,524	\$ 847,000
Salaries, taxes and benefits	571,655	141,059	29,697	742,411	596,114
Professional fees and consulting	695,309	77,347	549	773,205	506,267
Office	30,658	7,565	1,593	39,816	38,335
Conference and travel	7,939	4,155		12,094	16,521
Membership benefits	6,405			6,405	29,603
Facility	4,751	1,172	247	6,170	15,377
Depreciation		2,538		2,538	101
Miscellaneous	<u>2,590</u>	<u>21,139</u>	<u>          </u>	<u>23,729</u>	<u>14,179</u>
Total Expenses	<u>\$ 2,733,831</u>	<u>\$ 254,975</u>	<u>\$ 32,086</u>	<u>\$ 3,020,892</u>	<u>\$ 2,063,497</u>

See notes to financial statements.

**WOMEN'S FUNDING NETWORK**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for the Year Ended December 31, 2020**

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	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 2,744,494	\$ 651,896
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,538	101
Unrealized gain on investments	(1,546)	(4,511)
Changes in operating assets and liabilities:		
Grants receivable	(125,000)	0
Prepaid expenses	3,300	(3,300)
Accounts payable	37,900	3,137
Refundable advance – PPP loan	(88,309)	88,309
Accrued payroll and other liabilities	<u>8,272</u>	<u>23,215</u>
Net Cash Provided (Used) by Operating Activities	2,581,649	758,847
<b>Cash Flows From Investing Activities</b>		
Purchase of equipment	(16,479)	(2,015)
Purchase of investments	(266)	(358)
Proceeds from sale of investments	<u>(2,262)</u>	<u>0</u>
Net Cash Provided (Used) by Investing Activities	<u>(19,007)</u>	<u>(2,373)</u>
Net Change in Cash and Cash Equivalents	2,562,642	756,474
<b>Cash – Beginning of Year</b>	<u>1,757,083</u>	<u>1,000,609</u>
<b>Cash – End of Year</b>	<u>\$ 4,319,725</u>	<u>\$ 1,757,083</u>

See notes to financial statements.



## **WOMEN'S FUNDING NETWORK**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **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

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#### 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 \$12,022 and \$9,485 of accumulated depreciation as of December 31, 2021 and 2020, respectively.

##### *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, 2021 and 2020, the Network had uninsured cash balances of \$4,048,349 and \$1,492,291, 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

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#### 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

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#### 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 2021 and 2020.

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 2018.

##### *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, 2020, net assets with donor restrictions have been adjusted to \$954,884 to reflect the release of grants restricted. The correction has no effect on the results of the current year's activities; however, the cumulative effect decreases net assets with donor restrictions by \$479,575 at December 31, 2020. Net assets with donor restrictions were previously reported at \$1,434,459 in the December 31, 2020 financial statements.

##### *Subsequent Events*

The Network has evaluated subsequent events through September 30, 2022 which is the date the financial statements were available to be issued.

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

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**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	\$	4,319,725
Investments		40,241
Grant receivable		<u>125,000</u>
Total financial assets available within one year		4,484,966
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions		<u>47,500</u>
Total financial assets available within one year after restriction	\$	<u><u>4,437,466</u></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, 2021, all net assets without donor restrictions are available for payment of any major expenditures incurred, except for grants receivable which are available when the receivable is collected which is expected within the next year and the expenditure is 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>2021</u>	<b>As Adjusted (Note A)</b> <u>2020</u>
Without donor restrictions	\$ 4,352,973	\$ 701,095
With donor restrictions:		
Bill and Melinda Gates Foundation	0	905,884
History of Women's Funds and Foundations	<u>47,500</u>	<u>49,000</u>
	<u>47,500</u>	<u>954,884</u>
	<u><u>\$ 4,400,473</u></u>	<u><u>\$ 1,655,979</u></u>

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

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**Note D – Investments**

Investments as of December 31, are summarized as follows:

	<u>2021</u>	<u>2020</u>
Cost	\$ 30,684	\$ 28,156
Unrealized gain	<u>9,557</u>	<u>8,011</u>
Fair value	<u>\$ 40,241</u>	<u>\$ 36,167</u>

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

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 2,750	\$ 618
Deposits	266	206
Unrealized gain	<u>1,546</u>	<u>4,511</u>
Total investment income	<u>\$ 4,562</u>	<u>\$ 5,335</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**

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**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, 2021:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ 40,241	\$ 40,241	\$ 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, 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

**Note F – Payroll Protection Program**

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. 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. On May 10, 2021 the Company was notified by their bank that the SBA had granted forgiveness on the PPP loan based on their application effective May 10, 2021 in the amount of \$88,309, therefore the entire balance was recognized as grant income during the year ended December 31, 2021.