
**THE FUNDERS' NETWORK ON POPULATION,
REPRODUCTIVE HEALTH AND RIGHTS, INC.**

**Financial Statements, Supplementary
Information and
Report of Independent
Certified Public Accountants**

**For the Years Ended
December 31, 2016 and 2015**

LSWG

**Linton Shafer Warfield & Garrett, P.A.
CERTIFIED PUBLIC ACCOUNTANTS**



Linton Shafer Warfield & Garrett, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Certified Public Accountants

To the Board of Directors of
The Funders' Network on Population, Reproductive
Health and Rights, Inc.

We have audited the accompanying financial statements of The Funders' Network on Population, Reproductive Health and Rights, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and changes in net assets, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 The Funders' Network on Population, Reproductive Health and Rights, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Linton Shafer Warfield & Garrett, P.A.

Frederick, Maryland
October 20, 2017

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.
Statements of Financial Position
For the Years Ended December 31,**

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 585,866	\$ 719,919
Accounts receivable	-	375
Grants receivable	50,000	-
Prepaid expenses	5,294	13,748
Total Current Assets	641,160	734,042
 Property and Equipment - at Cost		
Office equipment	4,705	11,145
Less: accumulated depreciation	(2,687)	(9,836)
Property and Equipment - Net	2,018	1,309
 Total Assets	 \$ 643,178	 \$ 735,351
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 15,753	\$ 10,986
Accrued vacation	7,302	2,043
Accrued payroll tax liabilities	6,154	7,003
Deferred revenue	60,525	81,250
Total Current Liabilities	89,734	101,282
 Net Assets		
Unrestricted	92,434	71,797
Unrestricted - board designated	325,000	325,000
Total Unrestricted	417,434	396,797
Temporarily restricted	136,010	237,272
Total Net Assets	553,444	634,069
 Total Liabilities and Net Assets	 \$ 643,178	 \$ 735,351

The accompanying notes are an integral part of these statements.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**

Statement of Activities and Changes in Net Assets

For the Year Ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Grants	\$ -	\$ 668,500	\$ 668,500
Membership dues	272,250	-	272,250
Conferences	14,925	-	14,925
Interest	482	-	482
Other income	192	-	192
Net assets released from restrictions			
Expiration of time restrictions	412,500	(412,500)	-
Restrictions satisfied by payments	357,262	(357,262)	-
Total Revenue	<u>1,057,611</u>	<u>(101,262)</u>	<u>956,349</u>
Expenses			
Program			
Grants database	21,877	-	21,877
Meetings	248,848	-	248,848
Outreach	33,877	-	33,877
International Working Group	31,183	-	31,183
Women of Color	51,163	-	51,163
Grantmaker Directory	1,260	-	1,260
Other programs	501,296	-	501,296
Total Program Expenses	<u>889,504</u>	<u>-</u>	<u>889,504</u>
Management & General	<u>147,470</u>	<u>-</u>	<u>147,470</u>
Total Expenses	<u>1,036,974</u>	<u>-</u>	<u>1,036,974</u>
Change in Net Assets	20,637	(101,262)	(80,625)
Net Assets - Beginning of Year	<u>396,797</u>	<u>237,272</u>	<u>634,069</u>
Net Assets - End of Year	<u>\$ 417,434</u>	<u>\$ 136,010</u>	<u>\$ 553,444</u>

The accompanying notes are an integral part of this statement.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**

**Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Grants	\$ -	\$ 690,475	\$ 690,475
Membership dues	275,875	-	275,875
Conferences	39,968	-	39,968
Interest	465	-	465
Other income	327	-	327
Net assets released from restrictions			
Expiration of time restrictions	434,392	(434,392)	-
Restrictions satisfied by payments	166,727	(166,727)	-
Total Revenue	<u>917,754</u>	<u>89,356</u>	<u>1,007,110</u>
Expenses			
Program			
Grants database	20,713	-	20,713
Meetings	237,579	-	237,579
Outreach	30,786	-	30,786
International Working Group	29,749	-	29,749
Women of Color	44,899	-	44,899
Grantmaker Directory	1,260	-	1,260
Other programs	358,986	-	358,986
Total Program Expenses	<u>723,972</u>	-	<u>723,972</u>
Management & General	<u>148,983</u>	-	<u>148,983</u>
Total Expenses	<u>872,955</u>	-	<u>872,955</u>
Change in Net Assets	44,799	89,356	134,155
Net Assets - Beginning of Year	<u>351,998</u>	<u>147,916</u>	<u>499,914</u>
Net Assets - End of Year	<u>\$ 396,797</u>	<u>\$ 237,272</u>	<u>\$ 634,069</u>

The accompanying notes are an integral part of this statement.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**

**Statements of Cash Flows
For the Years Ended December 31,**

Increase (Decrease) In Cash and Cash Equivalents	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (80,625)	\$ 134,155
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	957	1,096
Net change in current assets and liabilities		
Accounts receivable	375	(375)
Grants receivable	(50,000)	-
Prepaid expenses	8,454	3,222
Accounts payable	4,767	(72,924)
Accrued vacation	5,259	(946)
Accrued payroll tax liabilities	(849)	(79)
Deferred revenue	(20,725)	18,500
	<u>(132,387)</u>	<u>82,649</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows from Investing Activities		
Purchase of fixed assets	<u>(1,666)</u>	<u>-</u>
Net Cash Provided by (Used in) Investing Activities	<u>(1,666)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(134,053)	82,649
Cash and Cash Equivalents Balance - Beginning of Year	<u>719,919</u>	<u>637,270</u>
Cash and Cash Equivalents Balance - End of Year	<u>\$ 585,866</u>	<u>\$ 719,919</u>
Supplemental Information		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

1. Nature of Business

The Funders' Network on Population, Reproductive Health and Rights, Inc. (the Organization) was organized for the purpose of creating a network of grantmakers who address issues of population, reproductive health, and reproductive rights. The Organization seeks to improve communication, foster collaboration, and enhance the overall effectiveness of grantmakers in this field. The Organization's support comes primarily from private foundations.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting, recognizing income when it is earned and expenses when they are incurred.

(b) Financial Statement Presentation

According to Financial Accounting Standards Board (FASB) Codification Standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Following are the terms used to describe the categories of net assets of the Organization:

- **Unrestricted Net Assets** - represent resources that are currently available for support of the Organization's operations. During 2012, the Board approved a policy in which the Organization would maintain a six month reserve of approximately \$325,000. This amount has been classified as board designated net assets.
- **Temporarily Restricted Net Assets** - represent resources that may be utilized only in accordance with the restricted purposes established by the provider of such funds. The Organization considers all contributions that are designated to a particular program to be an addition to temporarily restricted net assets.
- **Permanently Restricted Net Assets** - represent resources for which the principal is to be maintained intact and the income may only be spent in accordance with the intent of the donor. The Organization has no such contributions at December 31, 2016 and 2015.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**

**Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015**

2. Summary of Significant Accounting Policies (continued)

(c) Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect from outstanding balances. The Organization considers accounts and grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

(d) Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line method using estimated useful life, varying from five to seven years. The Organization capitalizes all expenditures for property and equipment over \$1,000. Depreciation expense for the years ended December 31, 2016 and 2015 was \$957 and \$1,096, respectively.

(e) Revenue Recognition

Grant revenue is recognized in the year of the grant period, rather than when the grant revenue is received. Grant revenues received during the current year for a future year are recorded as temporarily restricted revenues until the restriction is met.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions.

(f) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**

Notes to the Financial Statements

For the Years Ended December 31, 2016 and 2015

3. Taxes

The Organization is a nonprofit as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Income generated by activities that would be considered unrelated to the Organization's mission would be subject to tax which, if incurred, would be recognized as a current expense. No such tax has been recognized as of December 31, 2016 or 2015.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax asset (or a reduction of a liability) only if the Organization has taken a position that more likely than not would be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2016 and 2015, all tax positions taken would more likely than not be sustained upon examination. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2013.

4. Cash Flows

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

5. Retirement Plan

On April 1, 2000, the Organization adopted a Simple Employee Pension Plan. All employees are eligible to participate in the plan after completing one year of service and having reached twenty-one years of age. Under the plan participants may elect but are not required to defer a portion of their salary up to maximum allowed by law. The employer contributes 10% of the participant's compensation. Retirement expense for the years ended December 31, 2016 and 2015 were \$27,098 and \$20,855, respectively.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

6. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2016</u>	<u>2015</u>
Periods after December 31,	\$ -	\$ 49,000
Rockwood leadership project	<u>136,010</u>	<u>188,272</u>
Total temporarily restricted net assets	<u>\$ 136,010</u>	<u>\$ 237,272</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<u>2016</u>	<u>2015</u>
Time restriction expiration		
Periods prior to December 31,	<u>\$ 412,500</u>	<u>\$ 434,392</u>
Total restrictions expired	<u>\$ 412,500</u>	<u>\$ 434,392</u>
Purpose restriction accomplished		
Rockwood leadership project	\$ 327,262	\$ 161,727
Racial justice and equity	25,000	-
Annual meeting reception	<u>5,000</u>	<u>5,000</u>
Total restrictions released	<u>\$ 357,262</u>	<u>\$ 166,727</u>

7. Concentrations

Credit Risk

Cash held by the Organization in bank accounts may at times exceed the Federal Deposit Insurance Corporation (FDIC) coverage limit. Management believes the Organization is not exposed to any significant credit risk related to cash.

Revenue

Approximately 20% and 15% of revenues received during 2016 and 2015 were from one donor, respectively. The current level of the Organization's operations and program services may be impacted by a loss of this funding.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**

**Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015**

8. Subsequent Events

Management has evaluated subsequent events through October 20, 2017, the date that the financial statements were available to be issued.

In February 2017, the Board approved changing the name of the organization to Funders for Reproductive Equity.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**

Schedule of Functional Expenses

For the Year Ended December 31, 2016

	<u>Grants Database</u>	<u>Meetings</u>	<u>Outreach</u>	<u>International Working Group</u>	<u>Women of Color</u>	<u>Grantmaker Directory</u>	<u>Other Programs</u>	<u>Management & General</u>	<u>Total</u>
Personnel									
Salaries	\$ 6,901	\$ 88,082	\$ 21,445	\$ 18,471	\$ 30,576	\$ -	\$ 87,297	\$ 23,462	\$ 276,234
Payroll taxes	514	6,555	1,596	1,375	2,275	-	6,497	1,746	20,558
Employee benefits	2,927	37,361	9,096	7,835	12,969	-	37,029	11,864	119,081
Total Personnel	10,342	131,998	32,137	27,681	45,820	-	130,823	37,072	415,873
Meetings	-	116,850	-	3,502	5,343	-	3,450	-	129,145
Consultants	-	-	-	-	-	-	8,844	52,660	61,504
Program expenses	-	-	-	-	-	-	356,517	-	356,517
Web design	-	-	-	-	-	-	-	1,759	1,759
Administrative									
Office supplies	-	-	-	-	-	-	-	15,777	15,777
Postage	-	-	-	-	-	-	-	1,006	1,006
Printing/publications	-	-	-	-	-	1,260	-	-	1,260
Rent	-	-	-	-	-	-	-	1,848	1,848
Database	9,371	-	-	-	-	-	-	-	9,371
Depreciation	-	-	-	-	-	-	-	957	957
Total Administrative	9,371	-	-	-	-	1,260	-	19,588	30,219
Communications									
Telephone/conference calls	-	-	-	-	-	-	-	8,015	8,015
Web-hosting	-	-	-	-	-	-	-	735	735
Internet service provider	-	-	-	-	-	-	-	1,587	1,587
Total Communications	-	-	-	-	-	-	-	10,337	10,337
Staff travel	-	-	-	-	-	-	-	23,113	23,113
Board expense	-	-	-	-	-	-	-	1,352	1,352
Miscellaneous	2,164	-	1,740	-	-	-	1,662	1,589	7,155
Total Expenses	\$ 21,877	\$ 248,848	\$ 33,877	\$ 31,183	\$ 51,163	\$ 1,260	\$ 501,296	\$ 147,470	\$ 1,036,974

See report of independent certified public accountants.

**THE FUNDERS' NETWORK ON POPULATION, REPRODUCTIVE
HEALTH AND RIGHTS, INC.**

Schedule of Functional Expenses

For the Year Ended December 31, 2015

	<u>Grants Database</u>	<u>Meetings</u>	<u>Outreach</u>	<u>International Working Group</u>	<u>Women of Color</u>	<u>Grantmaker Directory</u>	<u>Other Programs</u>	<u>Management & General</u>	<u>Total</u>
Personnel									
Salaries	\$ 6,692	\$ 85,937	\$ 20,626	\$ 17,331	\$ 29,844	\$ -	\$ 84,587	\$ 20,380	\$ 265,397
Payroll taxes	509	6,542	1,570	1,319	2,272	-	6,439	1,780	20,431
Employee benefits	2,676	34,362	8,247	6,930	11,933	-	33,822	9,502	107,472
Total Personnel	9,877	126,841	30,443	25,580	44,049	-	124,848	31,662	393,300
Meetings	-	110,738	-	3,769	-	-	10,502	-	125,009
Consultants	-	-	-	-	-	-	3,469	48,620	52,089
Program expenses	-	-	-	-	-	-	216,633	-	216,633
Web design	-	-	-	-	-	-	-	1,075	1,075
Administrative									
Office supplies	-	-	-	-	-	-	-	10,698	10,698
Postage	-	-	-	-	-	-	-	936	936
Printing/publications	-	-	-	-	-	1,260	298	92	1,650
Rent	-	-	-	-	-	-	-	4,273	4,273
Database	10,836	-	-	-	-	-	-	-	10,836
Depreciation	-	-	-	-	-	-	-	1,096	1,096
Total Administrative	10,836	-	-	-	-	1,260	298	17,095	29,489
Communications									
Telephone/conference calls	-	-	-	-	-	-	-	7,925	7,925
Web-hosting	-	-	-	-	-	-	-	575	575
Internet service provider	-	-	-	-	-	-	-	1,464	1,464
Total Communications	-	-	-	-	-	-	-	9,964	9,964
Staff travel	-	-	-	-	-	-	-	36,674	36,674
Board expense	-	-	-	-	-	-	-	1,631	1,631
Miscellaneous	-	-	343	400	850	-	3,236	2,262	7,091
Total Expenses	\$ 20,713	\$ 237,579	\$ 30,786	\$ 29,749	\$ 44,899	\$ 1,260	\$ 358,986	\$ 148,983	\$ 872,955

See report of independent certified public accountants.