

WOMEN DONORS NETWORK

Financial Statements

December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Women Donors Network

Opinion

We have audited the financial statements of Women Donors Network (a nonprofit organization, "the Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 the Organization as of December 31, 2021 and 2020, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 the Organization'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 the Organization'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.

BAKER TILLY US, LLP

Baker Tilly US, LLP

San Francisco, California
December 22, 2022

WOMEN DONORS NETWORK
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
Current Assets		
Cash and cash equivalents	\$ 2,579,783	\$ 2,543,743
Certificates of deposit	123,137	323,137
Pledges receivable, net	3,157,393	243,315
Related party receivables	117,576	66,733
Program investments	838,253	105,607
Prepaid expenses	<u>114,888</u>	<u>196,179</u>
Total current assets	<u>6,931,030</u>	<u>3,478,714</u>
Other Assets		
Pledges receivable, net - non-current	4,718,126	114,825
Property and equipment, net	85,068	76,280
Deposits	<u>28,515</u>	<u>28,515</u>
Total other assets	<u>4,831,709</u>	<u>219,620</u>
Total assets	<u>\$ 11,762,739</u>	<u>\$ 3,698,334</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 266,401	\$ 110,048
Grants payable	350,000	-
Accrued vacation liability	71,878	40,854
Deferred revenue	11,400	28,390
Sublease payable - current portion	129,155	-
Deferred rent - current portion	<u>13,670</u>	<u>8,638</u>
Total current liabilities	<u>842,504</u>	<u>187,930</u>
Other Liabilities		
Accrued sabbatical liability	201,921	144,058
Sublease payable	101,136	-
Deferred rent	<u>27,369</u>	<u>41,039</u>
Total other liabilities	<u>330,426</u>	<u>185,097</u>
Total liabilities	<u>1,172,930</u>	<u>373,027</u>
Net Assets Without Donor Restrictions		
Undesignated	1,133,383	1,376,565
Board designated	<u>1,100,000</u>	<u>1,020,000</u>
Total without donor restrictions	2,233,383	2,396,565
Net Assets With Donor Restrictions		
Total net assets	<u>8,356,426</u>	<u>928,742</u>
Total net assets	<u>10,589,809</u>	<u>3,325,307</u>
Total liabilities and net assets	<u>\$ 11,762,739</u>	<u>\$ 3,698,334</u>

WOMEN DONORS NETWORK
STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 12,999,222	\$ 9,398,472	\$ 22,397,694	\$ 8,012,938	\$ 3,934,052	\$ 11,946,990
Loss from bad debt	-	(645,000)	(645,000)	-	-	-
Conference registration fees	78,036	-	78,036	69,600	-	69,600
Investment income	6,602	-	6,602	18,562	-	18,562
Other income	12,429	-	12,429	-	-	-
Net assets released from restrictions:						
Purpose accomplished or time restriction expired	1,325,788	(1,325,788)	-	4,924,181	(4,924,181)	-
TOTAL SUPPORT AND REVENUE	14,422,077	7,427,684	21,849,761	13,025,281	(990,129)	12,035,152
EXPENSES						
Program services	12,763,207	-	12,763,207	10,991,212	-	10,991,212
Supporting services						
Management and general	1,412,402	-	1,412,402	1,063,761	-	1,063,761
Fundraising	409,650	-	409,650	352,875	-	352,875
TOTAL EXPENSES	14,585,259	-	14,585,259	12,407,848	-	12,407,848
CHANGE IN NET ASSETS	(163,182)	7,427,684	7,264,502	617,433	(990,129)	(372,696)
NET ASSETS - beginning of year	2,396,565	928,742	3,325,307	1,779,132	1,918,871	3,698,003
NET ASSETS - end of year	\$ 2,233,383	\$ 8,356,426	\$ 10,589,809	\$ 2,396,565	\$ 928,742	\$ 3,325,307

WOMEN DONORS NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021

	Program Services			Program Total	Supporting Services		Total
	Conference and Educational Programs	Grantmaking Initiatives	Reflective Democracy Campaign		Management and General	Fundraising	
Grants	\$ -	\$ 9,585,000	\$ 950,000	\$ 10,535,000	\$ -	\$ -	\$ 10,535,000
Salaries	411,477	252,643	15,790	679,910	663,187	236,853	1,579,950
Professional services	280,190	48,319	865,751	1,194,260	247,917	77,551	1,519,728
Employee benefits	78,592	49,388	2,978	130,958	123,929	42,938	297,825
Sublease loss	-	-	-	-	230,291	-	230,291
Occupancy	31,346	21,270	1,119	53,735	44,780	13,434	111,949
Payroll taxes	26,140	16,086	1,005	43,231	42,226	15,081	100,538
Travel, conferences and meetings	49,359	650	5,821	55,830	3,502	-	59,332
Depreciation and amortization	12,137	8,236	6,875	27,248	17,339	5,202	49,789
Software	10,840	7,356	3,216	21,412	15,485	4,646	41,543
Licenses and fees	500	-	-	500	3,189	7,646	11,335
Insurance	1,467	995	52	2,514	5,298	629	8,441
Office supplies	2,292	1,555	82	3,929	3,274	982	8,185
Miscellaneous	1,187	1,722	91	3,000	3,624	1,087	7,711
Telephone	1,602	1,087	57	2,746	2,289	687	5,722
Internet and email fees	825	560	1,245	2,630	1,178	354	4,162
Training and education	986	669	35	1,690	1,409	423	3,522
Computer equipment	950	645	34	1,629	1,357	407	3,393
Printing and publications	2,226	-	-	2,226	871	-	3,097
Membership dues	-	-	-	-	624	1,540	2,164
Furniture and equipment	342	232	12	586	489	147	1,222
Postage	101	68	4	173	144	43	360
Total Expenses	<u>\$ 912,559</u>	<u>\$ 9,996,481</u>	<u>\$ 1,854,167</u>	<u>\$ 12,763,207</u>	<u>\$ 1,412,402</u>	<u>\$ 409,650</u>	<u>\$ 14,585,259</u>

WOMEN DONORS NETWORK
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Grants	\$ 8,863,950	\$ -	\$ -	\$ 8,863,950
Professional services	1,162,076	292,657	104,186	1,558,919
Salaries	569,702	474,354	147,789	1,191,845
Occupancy	141,234	117,596	36,638	295,468
Employee benefits	75,960	63,247	19,705	158,912
Payroll taxes	35,876	30,637	9,307	75,820
Miscellaneous	23,700	21,583	18,841	64,124
Travel, conferences and meetings	49,887	9,557	928	60,372
Depreciation and amortization	31,218	12,634	3,325	47,177
Software	14,669	9,797	3,052	27,518
Office supplies	9,662	8,045	2,507	20,214
Telephone	5,010	4,172	1,300	10,482
Insurance	2,676	5,157	515	8,348
Printing and publications	377	2,613	3,555	6,545
Internet and email fees	2,462	1,647	513	4,622
Licenses and fees	-	3,740	-	3,740
Training and education	-	3,282	-	3,282
Furniture and equipment	1,460	1,216	379	3,055
Postage	749	624	194	1,567
Computer equipment	544	453	141	1,138
Membership dues	-	750	-	750
Total Expenses	<u>\$ 10,991,212</u>	<u>\$ 1,063,761</u>	<u>\$ 352,875</u>	<u>\$ 12,407,848</u>

WOMEN DONORS NETWORK
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 7,264,502	\$ (372,696)
Adjustments to reconcile change in net assets to net cash from (to) operating activities:		
Amortization of discount on pledges receivable	52,433	(1,620)
Bad debt expense (recoveries)	645,000	(60,000)
Depreciation and amortization	49,789	47,177
Interest earned on program investments	(1,584)	(1,541)
(Increase) decrease in operating assets:		
Pledges and other receivables	(8,265,655)	575,052
Prepaid expenses	81,291	(48,113)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	245,240	44,854
Grants payable	350,000	(295,000)
Sublease payable	230,291	-
Deferred revenue	(16,990)	18,790
Deferred rent	(8,638)	(3,606)
Net cash provided by (used in) operating activities	625,679	(96,703)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of certificates of deposit	200,000	522,146
Purchases of investments	(731,062)	-
Purchases of property and equipment	(58,577)	(34,110)
Net cash (used in) provided by investing activities	(589,639)	488,036
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,040	391,333
CASH AND CASH EQUIVALENTS - beginning of the year	2,543,743	2,152,410
CASH AND CASH EQUIVALENTS - end of the year	\$ 2,579,783	\$ 2,543,743

WOMEN DONORS NETWORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Women Donors Network (the “Organization”) is a California nonprofit organization based in San Francisco, California. The Organization is a multi-generational, feminist network that seeks to use the power of philanthropy, women’s leadership, and collective and individual action to help build a more just, equitable and sustainable world, with an emphasis on supporting power-building work and women leaders in Black, Indigenous, and people of color communities. The Organization is primarily supported through private grants and contributions.

The Organization’s program activities during the year ended December 31, 2021 continued to emphasize grantmaking in the absence of in-person events as the COVID-19 pandemic continued. The Organization’s grantmaking activities included a collaborative funding initiative to support Black-led movement building; another collaborative funding vehicle called the Emergent Fund, in partnership with several other organizations, which models participatory grantmaking and intersectional, liberation values and resources rapid-response organizing led by Black, Indigenous and people of color leaders; as well as strategic funding through three initiatives called Impact Collectives, which are designed to help the Organization’s donors learn and fund collaboratively in three overarching strategic areas, including a Safe and Sustainable Future, Participation and Representation, and Opportunity and Equality. The Organization also continued its ongoing Reflective Democracy Campaign to investigate the demographics of elected officials and candidates in the United States, including new analysis of the underrepresentation of Asian American and Pacific Islander people in elected office and grants to organizations that are building community power and working to preserve democratic institutions and democracy. The Organization also offered educational programming online for women philanthropists, including a two-part series on how organizers are using technology to fight disinformation online, a virtual summer retreat for women donors, and a series with eight partner networks that explored how the birth justice ecosystem intersects with the other issues the Organization works on. Finally, the Organization put on a virtual Annual Conference, “WDN Connect: 2021,” which was held online with more than 160 attendees who gathered to hear from visionary women movement leaders and build community in a virtual environment.

The Organization’s program activities during the year ended December 31, 2020 changed following the onset of the COVID-19 pandemic and shelter-in-place requirements in March 2020. In January and February, the Organization held regional meetings as in past years, where groups of Organization members and prospective members networked and learned together and planned additional in-person programming. From mid-March on, the Organization’s educational programming shifted online to virtual platforms, and the Organization increased its programmatic emphasis on grantmaking. Grantmaking activities included a collaborative funding initiative to support racial justice and the Movement for Black Lives; another collaborative funding vehicle called the Emergent Fund, in partnership with several other organizations, which models participatory grantmaking and resources grassroots organizing and power-building in communities that are facing injustice based on racial, ethnic, religious and other forms of discrimination; as well as strategic funding through three initiatives called Impact Collectives, which are designed to help the Organization’s donors learn and fund collaboratively in three overarching strategic areas, including a Safe and Sustainable Future for All, Participation and Representation for All, and Opportunity and Equality for All.

WOMEN DONORS NETWORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization also continued its ongoing Reflective Democracy Campaign to investigate the demographics of elected officials and candidates in the United States and to catalyze nationwide activism to transform how our elections are funded and structured so that we may achieve a democracy whose leaders reflect all of America. Finally, the Organization offered webinars on issues of interest to progressive philanthropists and put on a virtual Annual Conference, “WDN Connect: 2020,” which was held online with over 150 attendees who gathered to hear from movement leaders, learn to be more effective philanthropists, consider their roles in the social change ecosystem, and build community in a virtual environment.

A summary of the Organization’s significant accounting policies follows:

Method of Accounting

The financial statements of the Organization have been prepared using the accrual method of accounting, which involves the recognition of revenues and gains when earned and expenses and losses when incurred in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations (GAAP).

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions represent net assets that are not subject to donor-imposed stipulations. The Board of Directors has designated a portion of this class of net assets for operating reserves. The amounts designated are not available for the Organization’s operations without the Board of Directors’ approval.

Net assets with donor restrictions represent net assets subject to donor-imposed stipulations. Some donor-imposed restrictions may be met either by actions of the Organization and/or the passage of time.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

WOMEN DONORS NETWORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of federally insured amounts (\$250,000 per depositor). The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

For the year ended December 31, 2021, contributions from three donors comprised 69% of contributions revenue. At December 31, 2021, 86% of pledges receivable were due from one donor. For the year ended December 31, 2020, contributions from two donors comprised 42% of contributions revenue. At December 31, 2020, 89% of pledges receivable were due from three donors.

For the year ended December 31, 2021, grants to one grantee comprised 16% of grants expense. At December 31, 2021, 100% of pledges payable were due to three grantees. For the year ended December 31, 2020, grants to one grantee comprised 19% of grants expense. At December 31, 2020, there were no pledges payable.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less, to be cash equivalents.

Certificates of Deposit

The Organization reports certificates of deposit at cost plus accrued interest. Unless the Organization identifies events or changes in circumstances that might have an adverse effect on the carrying value of these certificates, management does not evaluate such certificates for impairment.

Pledges Receivable

Pledges receivable include unconditional promises to give from donors. Pledges receivable are recorded at net realizable value. Pledges receivable that are expected to be received in future years are discounted to the anticipated present value of future cash flows using a discount rate. The Organization provides an allowance for estimated uncollectible contributions.

WOMEN DONORS NETWORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Program Investments

To promote women's leadership and economic empowerment, the Organization maintains program-related investments in a community investment note to Calvert Impact Capital and CNote. The program investments are valued at cost plus accrued interest. The investment to Calvert Foundation is in the Women Investing in Women Initiative that provides loan capital to organizations working to empower women through projects that support education, microfinance, health care, childcare, housing, and leadership development. The investment in CNote provides capital to Community Development Financial Institutions that provides community development funds to communities that typically have difficulty accessing capital.

The Calver Impact Capital investment consists of one investment for \$107,191 that matures in February 2024. The CNote investments consists of three loans for a total of \$731,000 that matures in January 2022. Each year, management evaluates the collectability of the remaining program investment. At December 31, 2021, there is no additional allowance reflected in the financial statements.

Property, Equipment and Depreciation

The Organization records acquisitions of durable equipment with a cost of \$1,000 or more and leasehold improvements that significantly prolong the useful lives of assets as property and equipment. Property and equipment are recorded at cost when purchased and fair value when received as a donation. Property and equipment are depreciated over the estimated useful lives of the respective assets, primarily three to five years, using the straight-line method of depreciation. Leasehold improvements are amortized over the shorter of the useful life of the improvements or the life of the lease.

Grants Payable

Grants to others are recorded as an expense when unconditionally committed by the Organization. At December 31, 2021, grants payable was \$350,000, all due within a year. At December 31, 2020, there were no outstanding grants payable.

Deferred Rent

The Organization has certain lease agreements that provide for rent escalations during the lease terms. The Organization records rent expense on a straight-line basis over the term of the respective lease. Accordingly, deferred rent is recorded to the extent that rent expense exceeds actual rent payments.

Income Tax Status

The Organization is recognized as a public charity exempt from Federal and State income tax under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code, whereby only unrelated business income, as defined by Section 512(a)(1) of the Internal Revenue Code and similar code section of the California Revenue and Taxation Code, is subject to income tax.

WOMEN DONORS NETWORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status (continued)

Each year management considers whether any material tax positions the Organization has taken are more likely than not to be sustained upon examination by the applicable taxing authority. Management believes that any positions the Organization has taken are supported by substantial authority and, hence, do not need to be measured or disclosed in these financial statements.

Revenue Recognition

Contributions

Contributions are recognized when the donor makes a promise to the Organization that is, in substance, unconditional. The Organization reports gifts of cash and other assets as net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Gifts of property and equipment are recorded as net assets without donor restrictions unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when donated or acquired long-lived assets are placed in service.

Conferences Registration Fees and Other Program Fees

Revenue recognition for conference registration fees and other program fees is accounted for under Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers* (Topic 606), through the following five steps: (i) identification of the contract with a customer; (ii) identification of the performance obligation in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

Conference registration fees consists of fees paid for conferences that the Organization hosts once a year. The Organization's performance obligation is to conduct the conference for which registration fee is collected. Revenue is recognized at the time the performance obligation is satisfied or on the date of the conference. Fees paid in advance of the conference are recorded as deferred revenue.

Program fees generally consist of fees paid for events such as seminars, donor trips, and donor retreats that the Organization hosts over the duration of the year. The Organization's performance obligation is to conduct the event for which tickets are sold. The transaction price is determined when the participant purchases an event ticket. Revenue is recognized when the event occurs. Fees received near the end of the year for an event in the subsequent year are recorded as deferred revenue.

WOMEN DONORS NETWORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. DESCRIPTION OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of Expenses

The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the programs and supporting services benefited based on the percentage of time employees work in each functional area.

Recently Issued Accounting Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). ASU 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. FASB has issued subsequent standards that deferred the implementation date. Topic 842 (as amended) is effective for annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Organization is currently assessing the effect that Topic 842 (as amended) will have on its financial statements.

During June 2016, FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. FASB has issued subsequent standards to clarify, correct errors in or improve the guidance. ASU 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2022. Early adoption is permitted for annual and interim periods beginning after December 15, 2018.

In September 2020, FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. The Organization does not believe that the adoption of ASU 2020-07 will have a material effect on its financial statements.

Subsequent Events

Management has evaluated subsequent events and transactions for potential recognition or disclosure December 22, 2022, the date which the financial statements were available to be issued.

WOMEN DONORS NETWORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

2. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a policy to build and maintain a four-month operating reserve indexed to the annual operating expense budget, exclusive of grants awarded through its grant-making initiatives. The Organization also has a policy that it will maintain an additional carryforward of current financial assets without donor restrictions less current liabilities, over and above the board-designated four-month reserve, sufficient to help pay for special projects in the future. To achieve these targets, the entity forecasts its future needs during the annual budgeting process, monitors its liquidity quarterly, and monitors its reserves annually.

The Organization defines general expenditures as ongoing program, management and general, and fundraising expenses. The table below presents financial assets available to fund general operating expenses within one year at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ 2,579,783	\$ 2,543,743
Certificates of deposit	123,137	323,137
Pledges receivable, net	7,875,519	358,140
Related party receivables	117,576	66,733
Program investments	<u>838,253</u>	<u>105,607</u>
Total financial assets	<u>11,534,268</u>	<u>3,397,360</u>
Less amounts not available to be used within one year:		
Program investments, greater than one year	(107,191)	(105,607)
Net assets with donor restrictions, time restrictions greater than one year	(4,718,126)	(114,825)
Net assets with donor restrictions, purpose restrictions	(53,000)	(57,500)
Net assets without donor restrictions - board designated	<u>(1,100,000)</u>	<u>(1,020,000)</u>
Financial assets not available to meet general expenditures within one year	<u>(5,978,317)</u>	<u>(1,297,932)</u>
	<u>\$ 5,555,951</u>	<u>\$ 2,099,428</u>

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3. PLEDGES RECEIVABLE

At December 31, 2021 and 2020, pledges receivable consisted of the following:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 3,430,127	\$ 270,315
Receivable in one to five years	<u>5,185,000</u>	<u>130,000</u>
Total pledges receivable	8,615,127	400,315
Allowance for uncollectible receivables	(685,000)	(40,000)
Unamortized discount	<u>(54,608)</u>	<u>(2,175)</u>
Pledges receivable, net	<u>\$ 7,875,519</u>	<u>\$ 358,140</u>

Pledges receivable with due dates extending beyond one year were discounted using discount rates between 0.36 % and 2.51% at December 31, 2021, and between 0.08% and 2.52% at December 31, 2020.

4. PROPERTY AND EQUIPMENT

At December 31, 2021 and 2020, property and equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Website	\$ 90,805	\$ 90,805
Furniture and equipment	93,640	57,355
Leasehold improvements	20,481	20,481
Software	<u>5,925</u>	<u>5,925</u>
Total property and equipment	210,851	174,566
Accumulated depreciation and amortization	<u>(125,783)</u>	<u>(98,286)</u>
Property and equipment, net	<u>\$ 85,068</u>	<u>\$ 76,280</u>

Depreciation and amortization expense for the years ended December 31, 2021 and 2020 were \$49,789 and \$47,177, respectively.

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5. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2021 and 2020, net assets with donor restrictions consisted of the following:

	<u>2021</u>	<u>2020</u>
Time restrictions	\$ 9,043,034	\$ 913,417
Impact Collectives	25,000	38,000
Action funds	3,000	8,000
Jean Hardisty Initiative	-	6,500
Emergent Fund	-	5,000
Reflective Democracy Campaign	25,000	-
	<u>9,096,034</u>	<u>970,917</u>
Allowance for uncollectible restricted pledges	(685,000)	(40,000)
Unamortized discount related to restricted pledges	<u>(54,608)</u>	<u>(2,175)</u>
	<u>\$ 8,356,426</u>	<u>\$ 928,742</u>

During the year ended December 31, 2021 and 2020, net assets were released from restrictions by incurring expenditures satisfying the restricted purposes, or by occurrences of other events specified by donors, as follows:

	<u>2021</u>	<u>2020</u>
Jean Hardisty Initiative	\$ 122,625	\$ 1,581,411
Passage of time	783,417	1,128,666
Impact Collectives	217,949	1,099,615
Emergent Fund	125,725	506,024
Reflective Democracy Campaign	75,072	330,500
Hurricane Ida Recovery	1,000	-
If, When, How, Legal Defense Fund	-	227,928
Self-Managed Abortion Safe & Sustainable	-	50,037
	<u>\$ 1,325,788</u>	<u>\$ 4,924,181</u>

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6. RETIREMENT PLAN

Included in the Organization's employee benefits expense is the Organization's contributions made to individual 401(k) accounts for each regular employee who works at least 20 hours per week. For the year ended December 31, 2021, the Organization's contribution consists of a fixed contribution of 4% of each employee's compensation, as well as a matching contribution of up to 3% of compensation on voluntary employee contributions to their own accounts. Total employer contributions to these plans for the year ended December 31, 2021, was \$48,340. For the year ended December 31, 2020, the Organization's contribution was 5% of each employee's salary to a SEP IRA account. All SEP IRA and 401(k) account balances were 100% vested. Total employer contributions to these plans for the year ended December 31, 2020, was \$60,310.

7. SABBATICAL LEAVE

During the year ended December 31, 2015, the Organization instituted a policy to provide a 3-month paid sabbatical leave to eligible employees. The policy was implemented retroactively for all eligible employees based on their employment date. At December 31, 2021 and 2020, the accrued sabbatical liability was \$201,921 and \$144,058, respectively.

8. OPERATING LEASES

On February 6, 2019, the Organization entered into a noncancelable operating lease arrangement, for its office space, which commenced on June 1, 2019 and expires on May 31, 2024. The lease contains lease payments starting at \$26,837, with scheduled annual increases and requires payment of the tenant's share of property taxes and operating expenses.

On February 26, 2021, the Organization entered into a sublease agreement for this operating lease agreement which will expire on May 31, 2024.

Future minimum lease and sublease payments at December 31, 2021 are as follows:

<u>Year ending December 31,</u>	<u>Lease</u>	<u>Sublease Income</u>	<u>Net</u>
2022	\$ 335,047	\$ 264,599	\$ 70,448
2023	340,079	269,631	70,448
2024	142,573	113,220	29,353
	<u>\$ 817,699</u>	<u>\$ 647,450</u>	<u>\$ 170,249</u>

Rental expense for the years ended December 31, 2021 and 2020, was \$310,263 and \$290,203, respectively. Loss on the sublease for the year ended December 31, 2021 was \$230,291.

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9. RELATED PARTY TRANSACTIONS

In December 2017, a new separate legal entity called WDN Action was formed, as a nonprofit corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code. The purpose of this organization is to advance a just, equitable, and sustainable world through advocacy, funding, and civic engagement of underrepresented communities.

On December 7, 2017, the Organization entered into a resource sharing agreement (the "Agreement") with WDN Action. Under the terms of the Agreement, the Organization and WDN Action share a variety of personnel, facilities and goods and services. The Organization allocates shared costs between the Organization and WDN Action.

For the years ended December 31, 2021 and 2020, the Organization allocated \$309,114 and \$219,280, respectively, of expenses to WDN Action under the Agreement.

At December 31, 2021 and 2020, the Organization had accounts receivable totaling \$117,576 and \$66,733, respectively, from WDN Action.

During the years ended December 31, 2021 and 2020, the Organization awarded grants to WDN Action totaling \$150,000 and \$150,000, respectively.

During the year ended December 31, 2021, the Organization had contributions from board members totaling \$969,360.