



WOMEN DELIVER, INC.
Financial Statements
December 31, 2019
With Independent Auditor's Report

Women Deliver, Inc.
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December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Women Deliver, Inc.:

We have audited the accompanying financial statements of Women Deliver, Inc. ("Women Deliver"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 Women Deliver'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 Women Deliver'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 Deliver, as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

New Accounting Pronouncements

As discussed in Note 2 in the notes to the financial statements, during the year ended December 31, 2019, Women Deliver adopted new accounting guidance in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) and FASB ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our opinion is not modified with respect to this matter.

Restatement

As discussed in Note 11 in the notes to the financial statements, Women Deliver's net assets with donor restrictions at January 1, 2019 have been increased by \$4,943,455 due to an error in the classification of contributions with donor restrictions. There was a corresponding decrease in net assets without donor restrictions resulting in no change to total net assets.

Withum Smith + Brown, PC

May 29, 2020

Women Deliver, Inc
Statement of Financial Position
December 31, 2019

Assets

Cash and cash equivalents	\$ 11,019,915
Grant and contribution receivables, net	2,706,296
Other assets	237,568
Property and equipment, net	<u>64,785</u>
Total assets	<u>14,028,564</u>

Liabilities and Net Assets

Accounts payable and accrued expenses	\$ 247,372
Refundable advances	<u>334,137</u>
Total liabilities	<u>581,509</u>

Net assets

Without donor restrictions	7,255,915
With donor restrictions	<u>6,191,140</u>
Total net assets	<u>13,447,055</u>

Total liabilities and net assets	<u>\$ 14,028,564</u>
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The Notes to Financial Statements are an integral part of this statement.

Women Deliver, Inc.
Statement of Activities and Changes in Net Assets
Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue			
Contributions			
Multilaterals	\$ -	\$ 226,000	\$ 226,000
Foreign governments	6,724	1,216,962	1,223,686
Foundation and trusts	181,361	1,103,554	1,284,915
Corporations	-	506,167	506,167
General contributors	37,170	10,000	47,170
Conference sponsorships	884,000	-	884,000
Foreign exchange (loss) gain	(108,685)	85,200	(23,485)
Investment return, net	23,224	-	23,224
Conference revenue			
Registrations	3,091,477	-	3,091,477
Sponsorships	626,500	-	626,500
Other income	147,054	-	147,054
Net assets released from restrictions	<u>19,534,014</u>	<u>(19,534,014)</u>	<u>-</u>
Total support and revenue	<u>24,422,839</u>	<u>(16,386,131)</u>	<u>8,036,708</u>
Expenses			
Program services	18,268,667	-	18,268,667
Management and general	1,018,739	-	1,018,739
Fundraising	<u>253,575</u>	<u>-</u>	<u>253,575</u>
Total expenses	<u>19,540,981</u>	<u>-</u>	<u>19,540,981</u>
Changes in net assets	<u>4,881,858</u>	<u>(16,386,131)</u>	<u>(11,504,273)</u>
Net assets at beginning of year, as originally stated	<u>8,101,957</u>	<u>17,633,816</u>	<u>25,735,773</u>
Prior period adjustment			
Change in accounting principle (See Note 2)	(784,445)	-	(784,445)
Correction of error (See Note 11)	<u>(4,943,455)</u>	<u>4,943,455</u>	<u>-</u>
	<u>(5,727,900)</u>	<u>4,943,455</u>	<u>(784,445)</u>
Net assets			
Beginning of year, restated	<u>2,374,057</u>	<u>22,577,271</u>	<u>24,951,328</u>
End of year	<u>\$ 7,255,915</u>	<u>\$ 6,191,140</u>	<u>\$ 13,447,055</u>

The Notes to Financial Statements are an integral part of this statement.

Women Deliver, Inc.
Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services Advocacy Programs and Communications	Supporting Services			Total Expenses
		Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 5,269,618	\$ 524,025	\$ 92,349	\$ 616,374	\$ 5,885,992
Professional services	3,135,781	184,732	65,349	250,081	3,385,862
Travel and per diem expenses - staff	550,649	93,418	12,546	105,964	656,613
Travel and per diem expenses - others	3,609,802	8,072	52,936	61,008	3,670,810
Telecommunications	253,150	25,599	5,689	31,288	284,438
Meeting and workshop expenses	3,877,558	79,077	3,096	82,173	3,959,731
Rent and office expenses	881,269	89,117	19,804	108,921	990,190
Printed and audiovisual materials	182,083	9,939	292	10,231	192,314
Postage and shipping	22,707	1,668	893	2,561	25,268
Grants to other organizations	458,404	-	-	-	458,404
Depreciation and amortization	27,646	2,796	621	3,417	31,063
Bad debts	-	296	-	296	296
Total expenses	\$ 18,268,667	\$ 1,018,739	\$ 253,575	\$ 1,272,314	\$ 19,540,981

The Notes to Financial Statements are an integral part of this statement.

Women Deliver, Inc
Statement of Cash Flows
Year Ended December 31, 2019

Operating activities

Changes in net assets	\$ (11,504,273)
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
Bad debts	296
Net present value adjustment on grants and contributions receivables	(175,448)
Depreciation and amortization	31,063
Unrealized foreign exchange (gain) loss	(407,836)
Changes in operating assets and liabilities	
Grant and contribution receivables	12,227,051
Other assets	1,555,943
Accounts payable and accrued expenses	(340,855)
Contract liabilities	(784,445)
Refundable advances	334,137
Net cash provided by operating activities	<u>935,633</u>

Investing activities

Purchase of property and equipment	(4,888)
Sale of investments	<u>460,834</u>
Net cash provided by investing activities	<u>455,946</u>

Net change in cash and cash equivalents 1,391,579

Cash and cash equivalents

Beginning of year 9,628,336

End of year \$ 11,019,915

The Notes to Financial Statements are an integral part of this statement.

Women Deliver, Inc
Notes to Financial Statements
December 31, 2019

1. ORGANIZATIONAL STRUCTURE AND NATURE OF ACTIVITIES

Organizational Structure and Nature of Activities

Founded in 2007, and incorporated as a Delaware non-stock corporation and received its 501(c)(3) tax-exempt status in 2009, Women Deliver, Inc. (“Women Deliver”) is a leading global advocate that champions gender equality and the health and rights of girls and women. As used in these financial statements, the terms “our”, “we’re” or “we”, refers to Women Deliver, Inc. unless the context indicates otherwise. Our advocacy drives investment – political and financial – in the lives of girls and women worldwide. We harness evidence and unite diverse voices to spark commitment to gender equality. And we get results. Anchored in sexual and reproductive health, we advocate for the rights of girls and women across every aspect of their lives.

Our work spans geographies, sectors, and generations to make gender equality a global priority – bringing together governments, the private sector, non-profit organizations, academics, foundations, and more. Through evidence, advocacy, and effective communication, we make the case that investing in girls, women, and gender equality is not only the right thing to do, but also the smart thing to do.

We collaborate with a wide range of partners to fuel our advocacy. We created the Deliver for Good campaign in line with this ethos. A global coalition that applies a gender lens to the Sustainable Development Goals, Deliver for Good reframes girls and women as drivers of progress and brings hundreds of organizations together across sectors and issues to promote increased investment in gender equality.

Recognizing the urgent needs of girls and women in humanitarian settings, we also work with local and global organizations to put gender equality and women’s sexual and reproductive health front and center during emergencies and their aftermath.

In all we do, we celebrate the power of young people, equipping them to deliver large-scale change. The Women Deliver Young Leaders Program connects outstanding youth advocates with the skills, resources, people, and platforms to advance gender equality in their communities, countries, and around the world. In addition to walking the talk on meaningful youth engagement, Women Deliver advocates for a world where young people are actively engaged in the decisions that affect their lives.

And every three years, we galvanize momentum at the global Women Deliver Conference – our signature event. It’s a bold and diverse gathering, a fueling station of ideas, and generator of action, convening thousands of decision-makers from civil society, governments, the private sector, and international agencies alongside advocates, activists, and journalists to identify solutions and drive change for girls and women.

We’re constantly pushing global action for gender equality and the health and rights of girls and women. We know that investing in girls and women will deliver progress for all.

Global Policy and Advocacy

Our advocacy harnesses the most rigorous and compelling evidence to show that investing in girls, women, and gender equality is not only the right thing to do, but also the smart thing to do. We collate the latest data and information and translate them into clear-sighted messages to build the case for prioritizing gender equality and the health and rights of girls and women. And when the data doesn’t exist, we call for more attention to overlooked topics. We focus on what works, using advocacy grounded in evidence to shift policies and drive investments.

Women Deliver, Inc
Notes to Financial Statements
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We are persistent advocates, speaking up for girls and women in every setting. As a member of the world's first Gender Equality Advisory Council of a G7 Presidency, we helped G7 nations look at every priority issue through a gender lens. We're advisors to governments, corporations, the UN, and civil society organizations alike, helping shape policies and programs that impact girls and women. We contribute to key coalitions, campaigns, working groups, and task forces including Every Woman Every Child, Unilever Sustainability Council, Solve at MIT, Equal Measures 2030, Global Partnership for Education, She Decides, the MenEngage Alliance, and The Frontline Health Workers Coalition. Our roster is ever-growing and ever-adapting to the needs of girls and women.

We connect people, ideas, and resources to drive solutions for girls and women. From leading the Deliver for Good campaign to bringing diverse voices together every three years at the Women Deliver Conference, we identify opportunities to bolster our advocacy through effective collaboration. We've shared our expertise in partnerships as wide-ranging as the Women's Major Group and the Global Financing Facility, while also supporting Young Leaders to get into the spaces where their advocacy can bring about change.

Humanitarian Advocacy

Women Deliver champions gender equality and the health and rights of girls and women everywhere, including those in humanitarian settings. We elevate the voices of women, and the organizations they lead, to help ensure they have a seat at the decision-making table.

We're collaborating with partners at all levels, working with international and local organizations alike, to put women's rights – especially their sexual and reproductive health – front and center of humanitarian action. Taking our experience in global development, we apply a gender lens to show how humanitarian programs, policies, and investments can deliver more effective action to meet the needs of girls and women.

Our humanitarian advocacy provides direct support to women-focused civil society organizations, as women are often overlooked leaders during emergencies and in their aftermath. We strengthen their voices through training and speaking opportunities, connecting them to the global and national conversations that affect their work and lives. In our pursuit of women's health and rights in every setting, Women Deliver guides the humanitarian sector to deliver the strongest response for girls and women.

Deliver for Good Campaign

Deliver for Good is a global campaign that applies a gender lens to the Sustainable Development Goals and promotes critical investments in girls and women to power progress for all. A multi-sector initiative created by Women Deliver and core partners, Deliver for Good has grown into a movement of more than 400 diverse organizations, all dedicated to accelerating progress for girls and women. Looking at the whole girl and the whole woman – supported by a suite of policy briefs, infographics, stories, and united activations – Deliver for Good is changing the narrative around girls and women.

For too long girls and women have been treated as vulnerable victims. Deliver for Good recognizes that they are powerful drivers of progress, reshaping the world for the better. Spanning sectors, issues, and generations, Deliver for Good champions gender equality to place girls and women at the heart of a sustainable future.

Youth Engagement & Young Leaders Program

Young people are changing the world today, creating the reality of tomorrow. Speaking up, challenging norms, collaborating, and building networks – young advocates are driving positive change in their communities, countries, and around the world.

Women Deliver, Inc
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The Women Deliver Young Leaders Program connects outstanding young advocates with the platforms, the people, and the resources that can amplify their influence on a larger scale. With an emphasis on sexual and reproductive health and rights, Women Deliver elevates the work of young people taking a stand for gender equality.

The Young Leaders Program is a catalyst for rising advocates, providing access to small grants, training, a digital university, speaking opportunities, and networking. Since 2010, a total of 700 young people from 138 countries have increased their impact through the award-winning program so far. Women Deliver is shifting the global landscape in favor of meaningful youth engagement because we know young people are shaping a gender equal future. It's time to follow their lead.

Women Deliver Conferences

Every three years, we galvanize momentum at the Women Deliver Conference - the world's largest gathering on gender equality and the health and rights of girls and women.

Thousands of decision-makers from government, civil society, the private sector, and UN agencies, as well as influencers, advocates, academics, activists, and journalists, convene to share solutions and promote action for gender equality. Our signature event, it's a moment to rally, refuel, and champion girls and women on a global stage.

The Women Deliver Conference is created with collaboration at its heart - built with partners, for partners. Much more than a gathering in a conference center, activities simultaneously coincide around the world for a truly global movement. By focusing the world's attention on the transformative potential of girls and women, Women Deliver Conferences send a powerful signal that investing in gender equality is foundational to progress for all.

Communications

As an advocacy organization, Women Deliver sees communications - including traditional and digital media - as an invaluable tool to build the capacity of other advocates and move the needle on gender equality.

We share stories and the hard facts to drive action for gender equality, keeping the health and rights of girls and women at the heart of the conversation – especially their sexual and reproductive health and rights.

We equip advocates and changemakers with evidence and compelling messages to promote action on gender equality and the health and rights of girls and women. We're advisors to governments, corporations, and civil society organizations alike. We communicate from podiums, in boardrooms, and within the hallways of power, via the pages of major newspapers and individual screens, to get our message to the right people and drive progress.

Operations

In a collaboration between the Office of the President, Chief Operating Officer, External Relations, Finance & Administration, and Program Quality & Learning teams, "Operations" works to build and improve systems that can accommodate growth while maximizing efficiency and effectiveness, and to acquire and cultivate a highly skilled workforce. Women Deliver also continues to invest in building its internal monitoring, evaluation, and learning (MEL) capacity. Women Deliver's strengthened approach to monitoring and data management improves its ability to critically analyze collected data in order to determine the effectiveness of its advocacy efforts to influence policies and investments for gender equality at all levels and advance the gender equality agenda globally. Finally, Women Deliver has committed to diversifying its funding and has invested in the growth of its External Relations department, which has secured a range of programmatic funding from partners. These areas of operational focus contribute to Women Deliver's progress towards the strategic plan, targeted outcomes, and goals.

Women Deliver, Inc
Notes to Financial Statements
December 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The financial statements of Women Deliver are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Women Deliver and changes therein are classified and reported as follows:

Net assets without donor restrictions - Include expendable resources that are used to carry out Women Deliver's operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by Women Deliver or may be limited by contractual agreements with outside parties.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of Women Deliver and/or the passage of time. Items that affect this net asset category are contributions for which donor-imposed restrictions have not been met in the year of receipt.

Contribution Revenue

Contributions, including unconditional promises to give, are recognized as revenue in the period received or pledged. Contributions are classified and reported based on the existence or absence of donor-imposed restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restriction. Contributions received in securities or other non-cash contributions are recorded at fair value at the date of the gift.

Conditional promises to give, which include those with a barrier or other measurable performance requirement and a right of return or release, are not recognized as revenue until the conditions on which they depend have been substantially met. Payments received in advance of conditions being met are recorded as refundable advances on the statements of financial position. At December 31, 2019, contributions of \$334,137 have not been recognized in the accompanying statement of activities because the condition on which they depend has not yet been met. Future funding is dependent on fiscal funding clauses and available appropriations from granting organizations.

Women Deliver recognizes donated goods and services provided which had an ascertainable value and were an integral part of Women Deliver's program service at fair market value of the services or goods received.

Conference Revenue

Women Deliver receives revenue from the registrations and sponsorships to its conference which is held every three years which is considered as revenue from contracts with customers. Revenues for registrations is recognized once the conference begins. Sponsorships are comprised of an exchange element based on the value of benefits provided, and a contribution element for the difference between the total sponsorship paid and the exchange element. The exchange revenue is based on what is explicitly outlined within the sponsorship contract as obligations, services, or other items owed to the sponsor that would normally otherwise generate revenue, valued at their cost. Women Deliver recognizes the exchange portion of the sponsorships at the time of the conference and the contribution portion in accordance with their contribution revenue recognition policies.

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Cash

Cash consists of checking and money market accounts and petty cash. Interest income is recognized as earned. Although the balance from time to time exceeds the Federal Depository Insurance Coverage limit, Women Deliver does not believe it has significant credit exposure.

Investments

Investments in equity securities are stated at fair value. Investments in debt securities are stated at amortized cost. Gains and losses, both realized and unrealized, resulting from changes in the fair value of investments are reflected in the statement of activities and changes in net assets as increases or decreases in net assets without restrictions unless the use is restricted by explicit donor stipulations or by law.

Grant and Contribution Receivable and Credit Policies

Grant and contribution receivable consist mainly of governmental and foundation grants. Unconditional promises to give that are expected to be collected in more than a year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using the prime bank loan rates applicable to the year in which the promises are received, when applicable. Women Deliver monitors the collectability of these receivables and has determined that no allowance for uncollectible accounts was necessary at December 31, 2019.

Grants Made to Other Organizations

Women Deliver recognizes grants made, classified as Grants Made to Other Organizations on the statements of functional expenses, including unconditional promises, as expenses, in the period made. Conditional promises, that is, those with a measurable performance or other barrier, and a right of return/release, are not recognized in expense until the conditions on which they depend have been substantially met.

Property and Equipment

Property and equipment are recorded at cost, except for donated items which are recorded at fair value on the date of donation. Upon sale or retirement of these assets, the related costs and accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in the financial statements. Maintenance, repairs, and minor renewals are charged to operations as incurred. Depreciation and amortization have been provided on the straight-line method over the estimated useful lives of the assets as follows:

<u>Description</u>	<u>Estimated Life (Years)</u>
Leasehold improvements	Shorter of term of lease or life of asset
Computer hardware and software	3
Office furniture	10

Fair Value Measurements

Women Deliver has reviewed investments within the framework for measuring fair value which establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

Women Deliver, Inc
Notes to Financial Statements
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The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities Women Deliver has the ability to access.

Level 2 - inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.

Level 3 - inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Foreign Currency Transactions

Transactions denominated in foreign currencies are translated into U.S. dollars using the exchange rates prevailing on the transaction date. Assets and liabilities are translated using the rate of exchange at the statements of financial position date. The resulting foreign exchange gain or loss is included in the statements of activities and changes in net assets.

Income Taxes

Women Deliver is a not-for-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Women Deliver has evaluated the recognition requirements for uncertain income tax positions and has concluded that there are no such positions at December 31, 2019. Women Deliver has not incurred any tax related interest and penalties for uncertain income tax positions at December 31, 2019.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and changes in net assets and in detail on the statements of functional expenses. Expenses, other than indirect expenses, are directly charged to the program that derives the direct benefit. Indirect expenses are allocated to the various program and supporting services based on the ratio of direct expense for any one function to total direct expenses of all functional areas or programs. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense Line</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Telecommunications	Salaries
Rent and office expenses	Salaries
Depreciation and amortization	Salaries

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 that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Women Deliver, Inc
Notes to Financial Statements
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Accounting Pronouncements Adopted in the Current Year

Revenue Recognition – Contracts with Customers

The Financial Accounting Standards Board (“FASB”) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (“ASC”). ASC 606 supersedes the prior revenue recognition requirements (codified as ASC 605, *Revenue Recognition*). ASC 606 established a core principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, which requires the deferral of incremental costs of obtaining a contract with a customer. All references to the “new guidance” include ASC 606 and/or ASC 340-40.

Women Deliver adopted the requirements of the new guidance as of January 1, 2019, utilizing the modified retrospective method of transition. As a result, a cumulative adjustment to retained earnings of \$784,445 was recorded as of January 1, 2019, to reflect the effect of the new guidance. Women Deliver applied the new guidance using the practical expedient provided in ASC 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in changes to Women Deliver’s accounting policies for revenue recognition, grant and contract receivables, and contract liabilities as detailed below. The impact of adopting the new guidance was an increase in 2019 revenues of approximately \$784,445.

The modified retrospective method of transition requires disclosure of the effect of applying the new guidance on each item included in the 2019 financial statements. Adopting the new guidance did not have an impact on the statement of financial position. The following are the line items from the statement of activities and statement of cash flows for the year ended December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
Revenues			
Contributions			
Conference sponsorships	\$ -	\$ 884,000	\$ 884,000
Conference revenue			
Registrations	2,767,532	323,945	3,091,477
Sponsorships	1,050,000	(423,500)	626,500
	<u>\$ 3,817,532</u>	<u>\$ 784,445</u>	<u>\$ 4,601,977</u>
Cash flows			
Change in net assets	<u>\$ (12,288,718)</u>	<u>\$ 784,445</u>	<u>\$ (11,504,273)</u>

Women Deliver, Inc
Notes to Financial Statements
December 31, 2019

Contribution Revenue Recognition

During 2019, Women Deliver adopted ASU 2018-08 – Not-for-profit Entities – *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions and improve guidance to better distinguish between conditional and unconditional contributions. The adoption of this ASU required Women Deliver to reclassify grant revenue which was previously denoted as exchange transactions to conditional contributions. We have implemented the provisions of ASU 2018-08 during 2019, applicable to contributions received in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with our implementation of ASU 2018-08. This change had no effect on the timing of revenue recognition.

Recent Accounting Pronouncements Issued Not Yet Adopted

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (“ASU 2016-02”), which requires lessees to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by leases with lease terms of more than 12 months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee will continue to primarily depend on its classification as a finance or operating lease. However, unlike current U.S. GAAP, which requires only capital leases to be recognized on the statement of financial position, ASU 2016-02 will require both types of leases to be recognized on the statement of financial position. ASU 2016-02 also requires disclosures about the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. ASU 2016-02 is effective beginning January 1, 2021, with early application permitted.

3. CONFERENCE REVENUE

Women Deliver’s conference revenue is generated from registrations including individual conference registrations, exhibition booths, and side events and sponsorships. Revenue from these services are recognized at the time the conference begins and consists of the following for the year ending December 31, 2019:

Conference revenue	
Registrations, exhibition booths, and side events	\$ 3,091,477
Sponsorships	<u>626,500</u>
Total	<u>\$ 3,717,977</u>

Women Deliver, Inc
Notes to Financial Statements
December 31, 2019

4. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor restrictions or other restrictions limiting their use, within one year of December 31, 2019 are as follows:

Financial assets	
Cash and cash equivalents	\$ 11,019,915
Grant and contribution receivables	<u>2,706,296</u>
Total financial assets	13,726,211
Less financial assets held to meet donor-imposed restrictions	
Purpose-restricted net assets	(5,011,140)
Less financial assets not available within one year	
Receivables	<u>(1,180,000)</u>
Total financial assets available within one year for general expenditures	<u>\$ 7,535,071</u>

Women Deliver has a goal of six month's operating activities in reserves due to the cyclical nature of certain activities and associated revenue. Women Deliver does not draw on reserves to fund normal operations but maintains reserves to provide bridge funding in the event of unanticipated expenditures, programmatic opportunities, or delays in revenue. Purpose restricted net assets are available to fund expenditures that satisfy the related donor restriction.

5. GRANT AND CONTRIBUTION RECEIVABLES

Grants and contributions receivables at December 31, 2019 consist of the following:

Grants and contributions expected to be collected in	
one year or less	\$ 1,526,296
Between one and five years	<u>1,180,000</u>
	2,706,296
Less: discount to present value	
	<u>-</u>
Grants and contributions receivable, net	<u>\$ 2,706,296</u>

6. PROPERTY AND EQUIPMENT - NET

Property and equipment at December 31, 2019 consist of the following:

Leasehold improvements	\$ 49,193
Computer hardware and software	41,541
Office furniture	<u>49,283</u>
Subtotal	140,017
Less: Accumulated depreciation and amortization	
	<u>75,232</u>
Property and equipment, net	<u>\$ 64,785</u>

Depreciation expense for the year ended December 31, 2019 amounted to \$31,063.

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7. OTHER ASSETS

Other assets at December 31, 2019 consist of the following:

Office lease security deposit	\$ 186,467
Prepaid expenses	<u>51,101</u>
	<u>\$ 237,568</u>

8. NET ASSETS

Net Assets with Donor Restrictions

Net assets with donor restrictions which include program and time restrictions at December 31, 2019 is as follows:

Advocacy programs and communications	\$ 3,721,323
Time restrictions	<u>2,469,817</u>
	<u>\$ 6,191,140</u>

Net Assets Released from Restrictions

Net assets with donor restrictions were released from donor restrictions for the year ended December 31, 2019 as follows:

Advocacy programs and communications	\$ 17,674,341
Time restrictions	<u>1,859,673</u>
	<u>\$ 19,534,014</u>

9. RETIREMENT PLAN

Women Deliver has a qualified tax-deferred annuity plan under Section 403(b) of the Internal Revenue Code for eligible employees in the United States. Employees can begin making contributions immediately upon hire and are eligible for an employer matching contribution of up to 8% of salary after one year of employment provided the employee contributes a minimum of 2% of their annual salary. Matching contributions amounted to \$228,843 for the year ended December 31, 2019.

10. LEASE COMMITMENT

Women Deliver leases its office space located at 584 Broadway, Suite 905, New York, New York under an operating lease expiring on September 30, 2020. On January 18, 2018, the lease was modified to reflect the increase in lease payments related to the additional office space, which will take effect from March 1, 2018 to September 30, 2020. Rent expense for the year ended December 31, 2019 amounted to \$446,475. Future minimum lease payments under this agreement are \$343,495 for 2020.

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11. PRIOR PERIOD ADJUSTMENT

An adjustment to correct net assets with donor restrictions of \$4,943,455 was made as of January 1, 2019 with a corresponding reduction to net assets without donor restrictions. This included the reclassification of one large multi-year contribution of \$3,915,005 that was shown as a contribution without donor restrictions that has an inherent time restriction and should have been shown as with donor restrictions for the portion that relates to subsequent years. Additionally, there was a reclassification of \$1,218,780 related to the allowable overhead from one grant that was shown as without donor restrictions that should have been shown as with donor restrictions as it inherently is restricted to spending. There was no change in total net assets as a result of these adjustments.

12. SUBSEQUENT EVENTS

Women Deliver has evaluated subsequent events occurring after the statement of financial position date through May 29, 2020, the date the financial statements were available for release. Based upon this evaluation, Women Deliver has determined that the following subsequent events have occurred, which require disclosure in the financial statements:

COVID-19

The current outbreak of a novel strain of coronavirus (COVID-19) is significantly impacting businesses across the world. While the duration of business interruption from this outbreak and related financial impact cannot be reasonably estimated at this time, financial results and foreign currency adjustments may be adversely affected in 2020. The extent to which the coronavirus impacts operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

CARES Loan

During April 2020, Women Deliver received a loan under the Paycheck Protection Program authorized by the Coronavirus Aid, Relief and Economic Security Act ("CARES") in the amount of approximately \$965,000. In accordance with the requirements under the CARES Act, the loan may be forgiven based on the associated spending in accordance with stipulations under the Act. For amounts under the loan that are not forgiven, these amounts are due 2 years from the date of the loan, and interest would accrue on the unforgiven loan balance at 1% per year. The debt forgiveness will be recognized at the time that the financial institution that issued the loan has reviewed and approved the associated spending and determined the forgivable portion. Management believes that most or all of the loan will be forgiven based on the current understanding of the legislative guidance.