

International Women's Health Coalition, Inc.

Financial Statements

September 30, 2019 and 2018

International Women's Health Coalition, Inc.

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Independent Auditors' Report

To the Board of Directors of
International Women's Health Coalition, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of International Women's Health Coalition, Inc. (the Coalition) which comprise the statements of financial position as of September 30, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses 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.

Auditors' 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Coalition'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 Coalition'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 International Women's Health Coalition, Inc. as of September 30, 2019 and 2018, 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.

Baker Tilly Virchow Krause, LLP

Melville, New York
February 25, 2020

International Women's Health Coalition, Inc.

Statements of Financial Position

September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 6,735,504	\$ 6,273,746
Grants and contributions receivable, current portion	1,596,158	2,481,629
Prepaid expenses and other current assets	<u>173,632</u>	<u>121,141</u>
Total current assets	8,505,294	8,876,516
Grants and Contributions Receivable, Net	150,000	434,996
Property and Equipment, Net	328,596	32,485
Other Assets	<u>34,003</u>	<u>25,353</u>
Total assets	<u>\$ 9,017,893</u>	<u>\$ 9,369,350</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 435,981	\$ 219,765
Grants payable	<u>121,000</u>	<u>306,001</u>
Total current liabilities	556,981	525,766
Deferred Rent	223,356	68,765
Other Liabilities	<u>34,003</u>	<u>25,353</u>
Total liabilities	<u>814,340</u>	<u>619,884</u>
Commitments and Contingencies		
Net Assets		
Net assets without donor restrictions:		
Board-designated, operating reserve	2,529,958	2,021,121
Board-designated, directors' reserve	<u>2,887,558</u>	<u>3,009,001</u>
Total net assets without donor restrictions	5,417,516	5,030,122
Net assets with donor restrictions	<u>2,786,037</u>	<u>3,719,344</u>
Total net assets	<u>8,203,553</u>	<u>8,749,466</u>
Total liabilities and net assets	<u>\$ 9,017,893</u>	<u>\$ 9,369,350</u>

See notes to financial statements

International Women's Health Coalition, Inc.

Statements of Activities and Changes in Net Assets

Years Ended September 30, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions, foundations and others	\$ 2,776,751	\$ 2,261,216	\$ 5,037,967	\$ 2,601,816	\$ 1,563,663	\$ 4,165,479
Contributions, individuals	1,404,777	-	1,404,777	940,083	-	940,083
Grants, government agencies	-	-	-	115,000	-	115,000
Special events	1,498,891	-	1,498,891	1,144,107	-	1,144,107
Direct expenses of special events	(255,038)	-	(255,038)	(251,343)	-	(251,343)
Investment income	33,790	-	33,790	33,887	-	33,887
Miscellaneous income	41,149	-	41,149	101,938	-	101,938
Net assets released from restrictions	3,194,523	(3,194,523)	-	4,019,103	(4,019,103)	-
Total support and revenue	8,694,843	(933,307)	7,761,536	8,704,591	(2,455,440)	6,249,151
Expenses						
Program Services						
Advocacy and policy	1,304,267	-	1,304,267	1,405,302	-	1,405,302
Strengthening international partnerships	3,370,260	-	3,370,260	2,909,892	-	2,909,892
Learning, monitoring and evaluation	642,501	-	642,501	756,105	-	756,105
Coalition institutional capacity	1,127,562	-	1,127,562	990,824	-	990,824
Total program services expense	6,444,590	-	6,444,590	6,062,123	-	6,062,123
Supporting Services						
Management, administrative and board liaison	900,059	-	900,059	782,738	-	782,738
Fundraising	962,800	-	962,800	779,447	-	779,447
Total supporting services expense	1,862,859	-	1,862,859	1,562,185	-	1,562,185
Total expenses	8,307,449	-	8,307,449	7,624,308	-	7,624,308
Changes in net assets	387,394	(933,307)	(545,913)	1,080,283	(2,455,440)	(1,375,157)
Net Assets, Beginning	5,030,122	3,719,344	8,749,466	3,949,839	6,174,784	10,124,623
Net Assets, Ending	\$ 5,417,516	\$ 2,786,037	\$ 8,203,553	\$ 5,030,122	\$ 3,719,344	\$ 8,749,466

See notes to financial statements

International Women's Health Coalition, Inc.

Statement of Functional Expenses

Year Ended September 30, 2019

	Program Services					Supporting Services			
	Advocacy and Policy	Strengthening International Partnerships	Learning, Monitoring and Evaluation	Coalition Institutional Capacity	Total Program Services	Management, Administrative and Board Liaison	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 511,558	\$ 456,030	\$ 247,846	\$ 404,043	\$ 1,619,477	\$ 465,176	\$ 522,895	\$ 988,071	\$ 2,607,548
Fringe benefits	136,047	123,514	68,030	113,799	441,390	145,916	128,168	274,084	715,474
Total salaries and fringe benefits	647,605	579,544	315,876	517,842	2,060,867	611,092	651,063	1,262,155	3,323,022
Grants	259,605	2,437,259	157,557	25,900	2,880,321	-	-	-	2,880,321
Professional fees	52,609	63,938	31,912	180,479	328,938	18,377	66,841	85,218	414,156
Accounting and legal	220	246	148	285	899	60,860	343	61,203	62,102
Occupancy	111,985	136,544	58,433	95,309	402,271	108,589	108,138	216,727	618,998
Equipment rental, repairs and maintenance	12,339	14,407	6,498	11,345	44,589	12,803	13,762	26,565	71,154
Staff travel	85,941	59,031	41,508	91,612	278,092	4,360	13,197	17,557	295,649
Board travel	-	-	-	29,443	29,443	11,389	-	11,389	40,832
Telephone	4,781	6,025	2,612	4,834	18,252	4,725	4,740	9,465	27,717
Office supplies	4,903	5,219	2,053	5,477	17,652	5,074	4,030	9,104	26,756
Special events	-	-	-	-	-	7,204	22,785	29,989	29,989
Meetings and conferences	88,346	17,993	5,073	44,906	156,318	9,807	21,991	31,798	188,116
Printing and reproduction	1,423	2,045	5,665	20,191	29,324	1,345	9,690	11,035	40,359
Postage and shipping	336	1,064	462	470	2,332	1,124	3,350	4,474	6,806
Insurance	7,078	6,951	4,090	6,666	24,785	7,489	7,540	15,029	39,814
Licenses and permits	4,271	23,185	3,599	18,040	49,095	10,818	14,769	25,587	74,682
Dues and subscriptions	7,666	1,636	346	19,953	29,601	1,784	2,157	3,941	33,542
Depreciation and amortization	5,989	7,032	3,471	6,261	22,753	6,066	7,882	13,948	36,701
Staff development	1,242	1,201	79	12,202	14,724	151	123	274	14,998
Bank charges	5,156	5,965	2,571	4,057	17,749	4,889	4,581	9,470	27,219
Miscellaneous	2,772	975	548	32,290	36,585	2,747	5,818	8,565	45,150
Recruiting	-	-	-	-	-	9,366	-	9,366	9,366
Total expenses	\$ 1,304,267	\$ 3,370,260	\$ 642,501	\$ 1,127,562	\$ 6,444,590	\$ 900,059	\$ 962,800	\$ 1,862,859	\$ 8,307,449

See notes to financial statements

International Women's Health Coalition, Inc.

Statement of Functional Expenses

Year Ended September 30, 2018

	Program Services					Supporting Services			
	Advocacy and Policy	Strengthening International Partnerships	Learning, Monitoring and Evaluation	Coalition Institutional Capacity	Total Program Services	Management, Administrative and Board Liaison	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 528,373	\$ 455,448	\$ 361,369	\$ 396,422	\$ 1,741,612	\$ 435,223	\$ 455,342	\$ 890,565	\$ 2,632,177
Fringe benefits	146,041	150,852	56,870	108,025	461,788	116,549	108,928	225,477	687,265
Total salaries and fringe benefits	674,414	606,300	418,239	504,447	2,203,400	551,772	564,270	1,116,042	3,319,442
Grants	306,305	1,987,798	118,994	8,862	2,421,959	-	-	-	2,421,959
Professional fees	60,108	50,536	34,716	135,441	280,801	35,178	12,104	47,282	328,083
Accounting and legal	12,715	11,958	11,851	11,851	48,375	8,185	7,085	15,270	63,645
Occupancy	113,528	122,225	75,258	78,783	389,794	53,152	76,259	129,411	519,205
Equipment rental, repairs and maintenance	8,979	10,438	6,924	8,108	34,449	11,183	8,838	20,021	54,470
Staff travel	119,034	63,199	60,422	79,553	322,208	4,932	20,872	25,804	348,012
Board travel	-	-	-	37,131	37,131	12,461	-	12,461	49,592
Telephone	5,466	6,420	3,882	4,426	20,194	4,708	4,443	9,151	29,345
Office supplies	3,241	3,265	2,055	2,056	10,617	2,311	3,362	5,673	16,290
Special events	-	-	-	-	-	-	19,176	19,176	19,176
Meetings and conferences	67,348	12,153	6,139	7,489	93,129	11,428	768	12,196	105,325
Printing and reproduction	6,225	979	4,830	7,606	19,640	819	2,302	3,121	22,761
Postage and shipping	715	411	817	2,182	4,125	703	2,553	3,256	7,381
Insurance	7,157	6,131	5,074	5,556	23,918	6,021	5,717	11,738	35,656
Licenses and permits	8,650	21,255	2,659	19,828	52,392	10,445	16,222	26,667	79,059
Dues and subscriptions	3,625	150	421	13,158	17,354	558	766	1,324	18,678
Depreciation and amortization	1,616	1,696	1,379	1,530	6,221	1,708	1,596	3,304	9,525
Staff development	2,107	2,555	1,447	39,955	46,064	7,530	1,580	9,110	55,174
Bank charges	695	784	362	358	2,199	708	27,566	28,274	30,473
Miscellaneous	3,374	1,639	636	22,504	28,153	1,577	3,968	5,545	33,698
Recruiting	-	-	-	-	-	57,359	-	57,359	57,359
Total expenses	\$ 1,405,302	\$ 2,909,892	\$ 756,105	\$ 990,824	\$ 6,062,123	\$ 782,738	\$ 779,447	\$ 1,562,185	\$ 7,624,308

See notes to financial statements

International Women's Health Coalition, Inc.

Statements of Cash Flows

Years Ended September 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Changes in net assets	\$ (545,913)	\$ (1,375,157)
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation and amortization	36,701	9,525
Deferred rent	154,591	(19,829)
Change in discount on grants and contributions receivable	(21,458)	(10,816)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Grants and contributions receivable	1,191,925	2,011,057
Prepaid expenses and other current assets	(52,491)	6,315
Other assets	(8,650)	(8,861)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	216,216	(88,343)
Grants payable	(185,001)	(296,392)
Other liabilities	8,650	8,861
Net cash flows from operating activities	<u>794,570</u>	<u>236,360</u>
Cash Flows from Investing Activities		
Purchase of property and equipment	<u>(332,812)</u>	<u>(13,098)</u>
Net cash flows from investing activities	<u>(332,812)</u>	<u>(13,098)</u>
Increase in cash and cash equivalents	461,758	223,262
Cash and Cash Equivalents, Beginning	<u>6,273,746</u>	<u>6,050,484</u>
Cash and Cash Equivalents, Ending	<u><u>\$ 6,735,504</u></u>	<u><u>\$ 6,273,746</u></u>

See notes to financial statements

International Women's Health Coalition, Inc.

Notes to Financial Statements
September 30, 2019 and 2018

1. Description of Organization and Summary of Significant Accounting Policies

Nature of Operations

International Women's Health Coalition, Inc. (the Coalition) advances the sexual and reproductive health and rights of women and young people, particularly adolescent girls, in Africa, Asia, Latin America and the Middle East. The Coalition furthers this agenda by supporting and strengthening leaders and organizations working at the community, national, regional and global levels, and by advocating for international and U.S. policies, programs and funding. The Coalition builds bridges between local realities and international policy by connecting women and young people in the Global South to key decision-makers. In doing so, the Coalition brings local voices to global debates and in turn, makes global processes and policies more understandable and actionable at the local level.

Basis of Presentation

The financial statements of the Coalition have been prepared on an accrual basis in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP).

Net Assets

The Coalition's financial statements distinguish between net assets with and without donor restriction, based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions include amounts that have not been donor restricted and are available for use in carrying out the general operations of the Coalition. Board-designated net assets include net assets without donor restrictions that have been designated by the board for specific purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions include amounts that have been limited by donor-imposed stipulations that expire with the passage of time and/or can be fulfilled and removed by the actions of the Coalition pursuant to those stipulations or net assets that are required by the donor to be maintained in perpetuity. As of September 30, 2019 and 2018, there were no net assets held in perpetuity.

Contributions

Unconditional promises to give are recorded as receivables when received. Grants and contributions receivable due in one year are recorded at their net realizable values. Grants and contributions receivable due in more than one year are recorded at the present value of their net realizable values, using risk adjusted interest rates applicable to the years in which the contributions are to be received to discount the amounts.

The Coalition 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. Donor restricted contributions whose restrictions are met in the same reporting period are reported as increases in net assets without donor restrictions. 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 and changes in net assets as net assets released from restrictions.

International Women's Health Coalition, Inc.

Notes to Financial Statements
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The Coalition reports gifts of land, buildings and equipment as net assets without donor restrictions, unless explicit donor stipulations specify how the donated assets 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 support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Coalition reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services

In accordance with U.S. GAAP, donated services requiring specific expertise and provided by individuals possessing these skills are recorded as an in-kind contribution and related expense at their fair values as determined by donors.

Allowance for Doubtful Accounts

Management must make estimates of the uncollectability of all grants and contributions receivable. Management specifically analyzes receivable balances, payment patterns and changes in circumstances when evaluating the need for an allowance for doubtful accounts.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. Depreciation is provided using the straight-line method over the estimated useful lives of the assets ranging from three to ten years. Amortization of leasehold improvements is provided over the shorter of their useful lives or the terms of the lease period using the straight-line method. The Coalition capitalizes property and equipment with a cost of \$1,500 or higher.

Grant Expense and Payable

Grant expense is recorded when an unconditional promise to a grantee is made. Grants payable in more than one year are recorded at the present value, using risk adjusted interest rates applicable to the years in which the grants are to be paid to discount the amounts.

Annual Sick Leave

The Coalition does not accrue unused sick days as the payment of compensation is not probable or reasonably estimable.

Income Taxes

The Coalition is incorporated in the State of New York as a nonprofit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal or state income tax is required.

Uncertain Tax Positions

Management has evaluated the Coalition's tax positions and concluded that the Coalition has not taken any uncertain tax positions that require adjustment to the financial statements to comply with the provisions of Accounting Standards Codification 740.

International Women's Health Coalition, Inc.

Notes to Financial Statements
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Functional Allocation of Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include salaries, fringe benefits, professional fees, travel, occupancy, equipment rental, repairs and maintenance, insurance, depreciation and amortization, dues and subscriptions, licenses and permits, bank charges, printing and reproduction, office supplies, telephone, postage and shipping and staff development, which are allocated based on estimated time and effort.

Statements of Cash Flows

For purposes of the statements of cash flows, the Coalition considers all highly liquid debt instruments purchased with an original maturity of three months or less on the date of purchase to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Standards

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Coalition adopted ASU 2016-14, and has applied the changes retrospectively to all periods presented. The new standard changes the following aspects of the Coalition's financial statements:

- The unrestricted net asset class has been renamed Net Assets Without Donor Restrictions
- The temporarily restricted net asset class has been renamed Net Assets With Donor Restrictions
- The basis for allocation of expenses to functional classifications has been disclosed (Note 1)
- The financial statements include a disclosure about liquidity and availability of resources (Note 11)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for non-public entities for fiscal years beginning after December 15, 2020. Management is currently evaluating the impact of adopting ASU 2016-02 on the Coalition's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance is intended to clarify and improve accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. ASU 2018-08 is effective for the Coalition for the fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of adopting ASU 2018-08 on the Coalition's financial statements.

International Women's Health Coalition, Inc.

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In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of ASU 2014-09 requires recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. ASU 2014-09 is effective for the Coalition for fiscal years beginning after December 15, 2018. Management is currently evaluating the impact of ASU 2014-09 on the Coalition's financial statements.

Evaluation of Subsequent Events

Management has evaluated subsequent events through February 25, 2020, the date the financial statements are available for issuance, for inclusion or disclosure in the financial statements.

2. Grants and Contributions Receivable

Grants and contributions receivable are comprised of unconditional promises to give and consist of the following as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Unconditional promises to give before discount	\$ 1,746,158	\$ 2,938,083
Less discount on grants and contributions receivable	-	21,458
	<u>\$ 1,746,158</u>	<u>\$ 2,916,625</u>
Net unconditional promises to give		
	<u>\$ 1,746,158</u>	<u>\$ 2,916,625</u>
Amounts due in:		
Less than one year	\$ 1,596,158	\$ 2,481,629
One to two years	150,000	434,996
	<u>\$ 1,746,158</u>	<u>\$ 2,916,625</u>

The discount rate used to calculate the net present value of the grants and contributions receivable as of September 30, 2018 was 1.31 percent. No allowance for uncollectible grants and contributions was deemed necessary as of September 30, 2019 or 2018.

As of September 30, 2018, the Coalition had unrecognized conditional grants of \$150,000. The revenue associated with these grants was recorded by the Coalition during the year ending September 30, 2019 upon meeting the conditions of the grants.

3. Property and Equipment

Property and equipment consists of the following as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Leasehold improvements	\$ 336,387	\$ 111,372
Computer equipment	163,072	195,313
Office furniture and equipment	118,717	62,596
	618,176	369,281
Less accumulated depreciation and amortization	<u>289,580</u>	<u>336,796</u>
Total	<u>\$ 328,596</u>	<u>\$ 32,485</u>

International Women's Health Coalition, Inc.

Notes to Financial Statements
September 30, 2019 and 2018

4. Grants Payable

The Coalition has made grant commitments to various not-for-profit organizations. As of September 30, 2019 and 2018, grants payable were \$121,000 and \$306,001, respectively, which were due in less than one year.

5. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of amounts restricted for the following as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Time restrictions	\$ 1,259,865	\$ 2,878,617
Time and purpose restrictions:		
Adolescent rights and health	-	55,000
U.S. foreign policy	68,357	154,778
In-country advocacy	873,626	597,286
Coalition development	189,189	33,663
Middle East, North Africa and South America	45,000	-
Diversity, equity and inclusion	50,000	-
Program support	300,000	-
	<u>1,526,172</u>	<u>840,727</u>
Total	<u>\$ 2,786,037</u>	<u>\$ 3,719,344</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or passage of time are as follows for the years ended September 30, 2019 and 2018, respectively:

	<u>2019</u>	<u>2018</u>
Time restrictions	\$ 2,428,617	\$ 2,489,109
Adolescent rights and health	55,000	559,772
U.S. foreign policy	86,421	145,222
In-country advocacy	598,660	725,000
Coalition development	25,825	-
Middle East and North Africa	-	100,000
Total	<u>\$ 3,194,523</u>	<u>\$ 4,019,103</u>

6. Board-Designated Net Assets

Board-designated net assets consist of amounts designated for the following as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Operating reserve (a)	\$ 2,529,958	\$ 2,021,121
Directors' reserve (b)	2,887,558	3,009,001
Total	<u>\$ 5,417,516</u>	<u>\$ 5,030,122</u>

International Women's Health Coalition, Inc.

Notes to Financial Statements
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- (a) Includes net assets which are board-designated as a reserve for short-term operating costs.
- (b) Includes net assets which are board-designated as a reserve for use in sustaining operations upon board authorization.

7. Commitments and Contingencies

Operating Lease

The Coalition currently leases office space under a noncancelable operating lease through August 31, 2030. In addition to base rentals, the lease provides for additional rent in the form of the Coalition's proportionate share of the increase in real estate taxes and operating expenses over a base year. The Coalition recognizes rent expense on a straight-line basis beginning with the first month of occupancy. Rent expense on a straight-line basis in excess of rental payments is recorded as a liability.

Approximate future minimum lease payments under the noncancelable operating lease are as follows:

Years ending September 30:	
2020	\$ 442,000
2021	454,000
2022	465,000
2023	476,000
2024	488,000
Thereafter	<u>3,149,000</u>
Total	<u>\$ 5,474,000</u>

Rent expense on a straight-line basis approximated \$553,000 and \$461,000 for the years ended September 30, 2019 and 2018, respectively.

During the year ended September 30, 2015, the Coalition entered into a three-year and three-month non-cancelable lease agreement to sublease some of its office space. Total receipts under sublease agreements approximated \$100,000 for the year ended September 30, 2018, respectively. The sublease ended during the year ended September 30, 2018 and was not renewed.

8. Retirement Plans

The Coalition maintains a tax shelter annuity plan for the benefit of all eligible employees. The Coalition is required to contribute 5 percent of eligible employees' compensation and match the employee's contribution up to 3 percent of the employee's compensation, for employees working 20 hours per week or more, as specified in the provisions of the Plan. Retirement contribution expense charged to operations for the years ended September 30, 2019 and 2018 approximated \$173,000 and \$176,000, respectively.

The Coalition maintains a 457(b) deferred compensation plan (the Plan) for one employee. Pursuant to the Plan agreement, the Plan's assets are considered general assets of the Coalition until the assets are distributed to the beneficiary. As a result, the Plan's net assets available for benefits of \$34,003 and \$25,353 as of September 30, 2019 and 2018, respectively, are included in other assets and other liabilities on the Coalition's statements of financial position. The Coalition expensed employer contributions for the Plan of approximately \$27,000 and \$24,000 for the years ended September 30, 2019 and 2018, respectively.

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9. Concentrations

Financial instruments which potentially subject the Coalition to concentrations of credit risk consist principally of receivables and temporary cash investments. From time to time, the cash balances exceed the Federal Depository Insurance Coverage limit. The Coalition places its temporary cash investments with various financial institutions. Certain of the Coalition's receivables may be denominated in foreign currencies and subject to exchange rate fluctuations.

As of September 30, 2019 and 2018, 89 and 100 percent, respectively, of grants and contributions receivable were due from three and two organizations. For 2019 and 2018, 42 and 34 percent, respectively, of total revenues of the Coalition were from two organizations.

10. Related Party Transactions

During the years ended September 30, 2019 and 2018, approximately \$967,000 and \$698,000, respectively, of support and revenue was from Coalition board members.

11. Liquidity and Availability of Resources

The following table reflects the Coalition's financial assets available for general expenditures within one year as of September 30, 2019 and 2018. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 6,735,504	\$ 6,273,746
Grants and contributions receivable, current portion	<u>1,596,158</u>	<u>2,481,629</u>
Total financial assets	8,331,662	8,755,375
Less donor restricted amounts	2,636,037	3,284,348
Less board-designated, directors' reserve	<u>2,887,558</u>	<u>3,009,001</u>
Total financial assets available to meet cash needs for general expenditures within one year	2,808,067	2,462,026
Plus board-designated, directors' reserve	<u>2,887,558</u>	<u>3,009,001</u>
Total financial assets available to meet cash needs for general expenditures within one year with board approval	<u>\$ 5,695,625</u>	<u>\$ 5,471,027</u>

The Coalition has cash flow variations throughout the year attributable to cash receipts for its fundraising events. As part of the Coalition's liquidity management, its practice is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.