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**THE SOCIETY FOR WOMEN'S  
HEALTH RESEARCH**

AUDITED FINANCIAL STATEMENTS

For the years ended December 31, 2016 and 2015

# THE SOCIETY FOR WOMEN'S HEALTH RESEARCH

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Directors  
The Society for Women's Health Research  
Washington, DC

We have audited the accompanying financial statements of The Society for Women's Health Research (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Society for Women's Health Research as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Columbia, Maryland  
April 25, 2017

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 190,040	\$ 982,197
Promises to give	-	81,000
Other receivables	-	16,503
Prepaid expenses	76,114	58,780
Investments - certificates of deposit	-	267,967
	<u>266,154</u>	<u>1,406,447</u>
Total current assets	266,154	1,406,447
INVESTMENTS	932,651	889,667
PROPERTY AND EQUIPMENT - net	32,824	41,167
SECURITY DEPOSIT	<u>21,214</u>	<u>21,214</u>
	<u>\$ 1,252,843</u>	<u>\$ 2,358,495</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 13,306	\$ 38,961
Accrued expenses	15,598	33,842
Deferred revenue	82,500	125,000
Deferred rent	9,304	-
	<u>120,708</u>	<u>197,803</u>
Total current liabilities	120,708	197,803
<b>LONG TERM LIABILITIES</b>		
Deferred rent, net of current portion	<u>188,475</u>	<u>195,147</u>
Total liabilities	<u>309,183</u>	<u>392,950</u>
<b>NET ASSETS</b>		
Unrestricted	477,439	1,361,200
Temporarily restricted	<u>466,221</u>	<u>604,345</u>
Total net assets	<u>943,660</u>	<u>1,965,545</u>
	<u>\$ 1,252,843</u>	<u>\$ 2,358,495</u>

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**STATEMENTS OF ACTIVITIES**  
For the years ended December 31, 2016 and 2015

	2016		
	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Annual gala	\$ 645,600	\$ -	\$ 645,600
Less: direct donor benefit	160,188	-	160,188
Annual gala, net	485,412	-	485,412
Contributions and support	290,791	372,331	663,122
In-kind contributions	14,351	-	14,351
Registration fees	-	-	-
Return of grant funds	-	(25,000)	(25,000)
Net assets released from restrictions	485,455	(485,455)	-
Total support and revenue	1,276,009	(138,124)	1,137,885
<b>Expenses</b>			
Programs:			
Scientific	547,511	-	547,511
SWHR Networks	377,154	-	377,154
Policy and Advocacy	386,083	-	386,083
Communication	378,769	-	378,769
BOSD Journal	10,000	-	10,000
Total programs	1,699,517	-	1,699,517
Management and general	252,141	-	252,141
Fundraising	253,019	-	253,019
Total expenses	2,204,677	-	2,204,677
<b>Change in Net Assets before Investment Income</b>	<b>(928,668)</b>	<b>(138,124)</b>	<b>(1,066,792)</b>
<b>Investment Income</b>			
Interest and dividends	29,625	-	29,625
Unrealized gains (losses) on investments	47,841	-	47,841
Realized losses on investments	(23,902)	-	(23,902)
Investment management fees	(8,657)	-	(8,657)
Total investment income	44,907	-	44,907
<b>Change in Net Assets</b>	<b>(883,761)</b>	<b>(138,124)</b>	<b>(1,021,885)</b>
<b>Net Assets, Beginning of Year</b>	<b>1,361,200</b>	<b>604,345</b>	<b>1,965,545</b>
<b>Net Assets, End of Year</b>	<b>\$ 477,439</b>	<b>\$ 466,221</b>	<b>\$ 943,660</b>

See notes to financial statements.

2015		
Unrestricted	Temporarily Restricted	Total
\$ 821,335	\$ -	\$ 821,335
156,457	-	156,457
<u>664,878</u>	<u>-</u>	<u>664,878</u>
473,962	1,300,044	1,774,006
9,567	-	9,567
4,800	-	4,800
-	-	-
<u>1,045,220</u>	<u>(1,045,220)</u>	<u>-</u>
<u>2,198,427</u>	<u>254,824</u>	<u>2,453,251</u>
666,447	-	666,447
302,794	-	302,794
408,234	-	408,234
324,058	-	324,058
10,921	-	10,921
<u>1,712,454</u>	<u>-</u>	<u>1,712,454</u>
241,797	-	241,797
239,473	-	239,473
<u>2,193,724</u>	<u>-</u>	<u>2,193,724</u>
<u>4,703</u>	<u>254,824</u>	<u>259,527</u>
50,112	-	50,112
(37,289)	-	(37,289)
-	-	-
<u>(8,593)</u>	<u>-</u>	<u>(8,593)</u>
<u>4,230</u>	<u>-</u>	<u>4,230</u>
8,933	254,824	263,757
<u>1,352,267</u>	<u>349,521</u>	<u>1,701,788</u>
<u>\$ 1,361,200</u>	<u>\$ 604,345</u>	<u>\$ 1,965,545</u>

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2016

	PROGRAM SERVICES				SUPPORTING SERVICES			Total
	Scientific	SWHR Networks	Policy and Advocacy	Communication	BOSD Journal	Management and General	Fundraising	
Salaries	\$ 235,027	\$ 202,606	\$ 181,974	\$ 155,104	\$ -	\$ 121,472	\$ 157,190	\$ 1,053,373
Benefits and payroll taxes	26,813	20,173	21,905	17,605	-	20,327	19,143	125,966
Other personnel costs	20,127	11,767	16,134	9,762	-	21,017	11,191	89,998
Professional services	99,811	-	72,500	82,179	10,000	33,950	-	298,440
License fees	2,257	-	-	-	-	5,493	9,256	17,006
Meetings	10,414	31,202	1,988	3,765	-	2,480	-	49,849
Postage	13	-	-	-	-	42	-	55
Printing	-	-	-	1,652	-	-	-	1,652
Subscriptions	2,249	4,571	16,778	6,702	-	595	3,083	33,978
Travel	17,102	24,564	1,557	1,365	-	155	1,387	46,130
Grants	30,000	-	-	40,000	-	-	-	70,000
Office	102,459	82,271	72,499	60,635	-	46,400	51,499	415,763
Other	1,239	-	748	-	-	210	270	2,467
	<b>\$ 547,511</b>	<b>\$ 377,154</b>	<b>\$ 386,083</b>	<b>\$ 378,769</b>	<b>\$ 10,000</b>	<b>\$ 252,141</b>	<b>\$ 253,019</b>	<b>\$ 2,204,677</b>

See notes to financial statements



**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended December 31, 2015

	PROGRAM SERVICES						SUPPORTING SERVICES				
	Scientific	SWHR		Policy and Advocacy		Communication	BOSD		Management and General	Fundraising	Total
		Networks			Journal		Programs				
Salaries	\$ 377,746	\$ 184,549	\$ 238,828	\$ 216,984	\$ 2,359	\$ 1,020,466	\$ 115,807	\$ 114,122	\$ 1,250,395		
Benefits and payroll taxes	38,001	13,241	25,644	19,765	278	96,929	21,860	16,712	135,501		
Other personnel costs	32,422	12,020	26,565	17,284	197	88,488	17,523	16,131	122,142		
Professional services	34,525	5,750	-	8,026	6,930	55,231	40,511	-	95,742		
License fees	140	-	-	-	-	140	-	11,964	12,104		
Meetings	44,411	19,396	2,004	13	-	65,824	4,286	25,963	96,073		
Postage	15	-	9	-	-	24	104	503	631		
Printing	98	88	49	2,915	-	3,150	-	10,424	13,574		
Subscriptions	1,315	300	18,242	6,800	-	26,657	239	2,045	28,941		
Travel	19,476	18,038	1,102	485	667	39,768	22	381	40,171		
Grants	500	-	15,000	-	-	15,500	208	-	15,708		
Office	117,498	49,412	80,230	51,601	490	299,231	41,237	41,228	381,696		
Other	300	-	561	185	-	1,046	-	-	1,046		
	<u>\$ 666,447</u>	<u>\$ 302,794</u>	<u>\$ 408,234</u>	<u>\$ 324,058</u>	<u>\$ 10,921</u>	<u>\$ 1,712,454</u>	<u>\$ 241,797</u>	<u>\$ 239,473</u>	<u>\$ 2,193,724</u>		

See notes to financial statements.

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**STATEMENTS OF CASH FLOWS**  
For the years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (1,021,885)	\$ 263,757
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	13,339	13,339
Realized losses on investments	23,902	-
Unrealized (gains) losses on investments	(47,841)	37,289
Changes in operating assets and liabilities:		
Promises to give	81,000	244,000
Other receivable	16,503	(16,503)
Prepaid expenses	(17,334)	2,770
Accounts payable	(25,655)	6,428
Accrued expenses	(18,244)	(2,449)
Deferred revenue	(42,500)	(45,000)
Deferred rent	2,632	14,116
	<u>(1,036,083)</u>	<u>517,747</u>
Net cash provided (used) by operating activities		
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(143,913)	(719,713)
Proceeds from sale of investments	124,868	701,015
Maturities of certificates of deposit	267,967	164,567
Purchases of property and equipment	(4,996)	(1,947)
	<u>243,926</u>	<u>143,922</u>
Net cash provided by investing activities		
<b>Net Change in Cash and Cash Equivalents</b>	<u>(792,157)</u>	<u>661,669</u>
<b>Cash and Cash Equivalents, Beginning</b>	<u>982,197</u>	<u>320,528</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 190,040</u>	<u>\$ 982,197</u>

See notes to financial statements.

# THE SOCIETY FOR WOMEN'S HEALTH RESEARCH

## NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2016 and 2015

### NOTE 1 - DESCRIPTION OF ORGANIZATION

The Society for Women's Health Research (SWHR) is a national non-profit organization, based in Washington D.C. that is widely recognized as the thought-leader in promoting research on biological differences in diseases and is dedicated to transforming women's health through science, advocacy, and education.

Founded in 1990 by a group of physicians, medical researchers and health advocates, SWHR aims to bring attention to the variety of diseases and conditions that disproportionately or predominantly affect women. Thanks to SWHR's efforts, women are now routinely included in most major medical research studies, and scientists are considering sex as a variable in their research. SWHR's operations are financed primarily through contributions from private foundations and corporations.

SWHR advocates for greater public and private funding for women's health research and the study of biological differences that:

- Affects the prevention, diagnosis and treatment of disease;
- Encourages the appropriate inclusion of women and minorities in medical research studies;
- Promotes the analysis of research data for biological and ethnic differences; and
- Informs women, health care providers, and policy makers about contemporary women's health issues through media outreach, congressional briefings, public education campaigns, conferences and special events.

The program activities of SWHR are as follows:

Scientific – SWHR works with researchers and clinicians to advance the field of sex-based biology and to host a number of interactive forums which encourage dialogue to foster research on biological differences between men and women.

SWHR has established a number of programs to advance its scientific mission:

- SWHR Interdisciplinary Research Networks – A series of networks comprised of researchers and clinicians to foster interdisciplinary basic and clinical research on sex and gender differences.
- SWHR Roundtables: SWHR routinely convenes interactive roundtables every year and generates reports highlighting the outcomes of the roundtables.
- Symposia and Conferences: SWHR routinely convenes one or two symposia every year.
- The RAISE (Recognizing the Achievements of Women in Sciences and Engineering) Project – A campaign to increase the status of professional women through enhanced recognition of their achievements in science and medicine.
- The Organization for the Study of Sex Differences (OSSD) – An interdisciplinary scientific membership society launched in 2006 to enhance the knowledge of sex/gender differences.

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2016 and 2015**

**NOTE 1 - DESCRIPTION OF ORGANIZATION (Continued)**

SWHR Networks – SWHR sponsors the Interdisciplinary Studies In Sex (ISIS) fund for sex-based biology research to promote collaborations among scientists by supporting the development of interdisciplinary research networks.

Policy and Advocacy – SWHR promotes research into women's health and sex differences in Congress, the White House, federal health agencies, and across the country as follows:

**Congressional**

- Advocate for increased federal funding for medical research
- Engage and educate congressional members and their staff
- Prepare congressional report language, testimony, and correspondence
- Provide expertise and legislative analysis
- Organize regular congressional staff public education briefings

**Agencies**

- Collaborate with federal health research agencies to promote women's health and sex differences through meetings, reports, and conferences
- Research and respond to regulations and guidance

**Grassroots**

- Manage the Women's Health Research Coalition – a national network of more than 600 activists who engage on medical research and women's health research

Communications:

- Circulate the Biology of Sex Differences online journal, the only open access journal devoted to the study of sex differences
- Disseminate research and policy papers in respected academic and research publications including the Journal of Women's Health
- Publish op-eds and articles in major newspapers and online media sites
- Serve as a resource on women's health research and the study of biological differences

BOSD Journal – In conjunction with BioMed Central, SWHR founded and funds the Biology of Sex Difference Journal (BOSD) which is the official journal of the Organization for the Study of Sex Difference (OSSD).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2016 and 2015**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Expense Allocation**

Expenses are presented in the Statements of Activities by program and support function. Costs have been charged to the functions they directly benefit, or allocated between functions based on time spent by SWHR's personnel in such functions.

**Fair Value Measurements**

FASB ASC 820, *Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to the unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- *Level 1:* Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date (e. g., equity securities traded on the New York Stock Exchange).
- *Level 2:* Level 2 inputs are from other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly or indirectly (e. g., quoted market prices of similar assets or liabilities in active markets, or quoted market prices for identical or similar assets or liabilities in markets that are not active).
- *Level 3:* Level 3 inputs are unobservable (e. g., a company's own data) and are used to measure fair value to the extent that observable inputs are not available.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of the observable inputs and minimize the use of the unobservable inputs.

**Income Taxes**

SWHR is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as *other than a private foundation*. No provision for income taxes is required for the years ended December 31, 2016 and 2015 since SWHR had no taxable income from unrelated business activities.

The income tax positions taken by SWHR for any years open under the various statutes of limitations are that SWHR continues to be exempt from income taxes and that they have properly reported unrelated business income that is subject to income taxes. SWHR believes that there are no tax

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2016 and 2015

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes (Continued)**

positions taken or expected to be taken that would significantly increase unrecognized tax liabilities within 12 months of the reporting date. None of SWHR's federal or state income tax returns are currently under examination.

**NOTE 3 - CONCENTRATIONS**

**Concentrations of Donors**

In 2016 and 2015, the two largest donors accounted for 32% and 47% respectively, of contributions and support.

**Concentrations of Credit Risk**

SWHR's financial instruments that are exposed to concentrations of credit risk include cash and highly liquid, temporary cash investments. At times, such cash and temporary investment balances may be in excess of the Federal Deposit Insurance Corporation insurance limit. SWHR places its cash and temporary cash investments with high credit quality financial institutions. SWHR has not experienced any losses in cash and investment accounts, and believes it is not exposed to significant credit risk.

**NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENT**

The following are the major categories of assets measured at fair value on a recurring basis during the years ended December 31, 2016 and 2015. All investments are considered Level 1 (using quoted prices in active markets for identical assets):

	<u>2016</u>	<u>2015</u>
Investments:		
Money market funds	\$ 7,252	\$ 12,444
Mutual Funds and ETFs:		
Fixed income	441,910	423,590
Equity	<u>483,489</u>	<u>453,633</u>
	<u>\$ 932,651</u>	<u>\$ 889,667</u>

All assets have been valued using a market approach. There were no changes in the valuation techniques during the current year.

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2016 and 2015

**NOTE 5 - PROPERTY AND EQUIPMENT**

At December 31, the cost of property and equipment and the related accumulated depreciation is as follows:

	<u>2016</u>	<u>2015</u>
Office furniture and fixtures	\$ 20,955	\$ 20,955
Equipment	45,732	40,736
Computer software	<u>43,682</u>	<u>43,682</u>
	110,369	105,373
Accumulated depreciation and amortization	<u>(77,545)</u>	<u>(64,206)</u>
	<u>\$ 32,824</u>	<u>\$ 41,167</u>

Depreciation and amortization expense for both the years ended December 31, 2016 and 2015 was \$13,339.

**NOTE 6 - DEFERRED REVENUE**

Deferred revenue consists of the following at December 31:

	<u>2016</u>	<u>2015</u>
Corporate Advisory Council	\$ 30,000	\$ 110,000
Sponsorship – Annual Gala	<u>52,500</u>	<u>15,000</u>
	<u>\$ 82,500</u>	<u>\$ 125,000</u>

**NOTE 7 - LINE OF CREDIT**

In 2015, SWHR established a line of credit with its investment bank. Interest, at a variable rate based on changes in an index set at the lender's discretion, is payable monthly. The available limit periodically fluctuates based on the balance of investments maintained. At December 31, 2016, the available limit was approximately \$956,000. The loan is secured by investments held at the same institution. There was no balance due at either December 31, 2016 or 2015.

**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**NOTES TO FINANCIAL STATEMENTS**  
For the years ended December 31, 2016 and 2015

**NOTE 8 - NET ASSETS**

Net assets temporarily restricted by donors at December 31, are available for the following programs:

	<u>2016</u>	<u>2015</u>
SWHR Networks	\$ 289,007	\$ 564,345
Scientific	177,214	25,000
Policy and Advocacy	<u>-</u>	<u>15,000</u>
	<u>\$ 466,221</u>	<u>\$ 604,345</u>

**NOTE 9 - RETIREMENT PLAN**

SWHR sponsors a tax deferred annuity plan under section 403(b) of the Internal Revenue Code. Employees may elect voluntary deferrals from salary. The Plan does not call for matching contributions but it provides discretionary contributions of either 5% or 9% of compensation, depending on length of service. Employees who have one year or more of service and have attained the age of 21 are eligible for discretionary contributions. Participants become fully vested in all contributions upon payment.

Retirement plan expense was \$62,238 and \$76,712 for the years ended December 31, 2016 and 2015, respectively.

**NOTE 10 - OPERATING LEASE**

SWHR entered into a building lease agreement which began in January 2012 and expires on March 15, 2022. The agreement calls for a base rent of \$21,214 per month with a 4% increase per year. SWHR accounts for these escalating payments by spreading the rent payments as expense, on a straight-line basis, over the term of the lease resulting in a deferred rent liability. SWHR is also responsible for its pro rata share of increases in the landlord's operating expenses and real estate taxes. Rent expense for both the years ended December 31, 2016 and 2015 was \$300,474.

Future minimum lease payments are approximately as follows:

Year ending December 31,	
2017	\$ 309,777
2018	322,166
2019	335,064
2020	348,471
2021	362,387
Thereafter	<u>109,921</u>
	<u>\$ 1,787,786</u>



**THE SOCIETY FOR WOMEN'S HEALTH RESEARCH**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the years ended December 31, 2016 and 2015**

**NOTE 11 - COMMITMENTS**

SWHR has entered into agreements with vendors for various meetings in future years. The contracts contain contingency clauses whereby SWHR is liable for cancellations. The monetary restitution varies among contracts, but generally is based on expenses incurred by the vendor up to the date of cancellation as well as additional cancellation fees

**NOTE 12 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through April 25, 2017 which is the date the financial statements are available to be issued.