

FINANCIAL STATEMENTS



**THE WHITE
RIBBON
ALLIANCE**

HEALTHY MOTHERS
HEALTHY WORLD

**FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The White Ribbon Alliance for Safe Motherhood
Washington, D.C.

We have audited the accompanying financial statements of The White Ribbon Alliance for Safe Motherhood (WRA), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets (deficit), 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 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 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 WRA as of December 31, 2017 and 2016, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



May 30, 2018

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THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 198,586	\$ 282,434
Grants and contributions receivable	1,764,482	2,178,455
Other receivables	2,865	14,951
Sub-grantee advances	87,714	124,059
Travel advances	-	2,875
Prepaid expenses	<u>31,201</u>	<u>35,959</u>
Total current assets	<u>2,084,848</u>	<u>2,638,733</u>
NONCURRENT ASSETS		
Grants and contributions receivable, net of current portion and present value discount	-	1,384,798
Security deposit	<u>14,694</u>	<u>14,694</u>
Total noncurrent assets	<u>14,694</u>	<u>1,399,492</u>
TOTAL ASSETS	<u>\$ 2,099,542</u>	<u>\$ 4,038,225</u>

LIABILITIES AND NET ASSETS (DEFICIT)

CURRENT LIABILITIES		
Line of credit	\$ 450,000	\$ -
Accounts payable and accrued liabilities	68,852	48,737
Sub-grants payable	2,140	7,000
Accrued employee benefits	83,375	109,194
Deferred rent	<u>1,702</u>	<u>4,881</u>
Total current liabilities	<u>606,069</u>	<u>169,812</u>
NONCURRENT LIABILITIES		
Deferred rent, net of current portion	<u>29,131</u>	<u>21,070</u>
Total liabilities	<u>635,200</u>	<u>190,882</u>
NET ASSETS (DEFICIT)		
Unrestricted deficit	(351,804)	(397,310)
Temporarily restricted	<u>1,816,146</u>	<u>4,244,653</u>
Total net assets (deficit)	<u>1,464,342</u>	<u>3,847,343</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 2,099,542</u>	<u>\$ 4,038,225</u>

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
FOR THE YEARS DECEMBER 31, 2017 AND 2016**

	<u>2017</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE			
U.S. Government grants	\$ 624,718	\$ -	\$ 624,718
Foundation and other grants	5,161	759,006	764,167
Contributions	157,344	-	157,344
In-kind contributions	68,717	-	68,717
Interest income	409	-	409
Exchange rate loss	(1,218)	-	(1,218)
Net assets released from donor restrictions - satisfaction of program restrictions	<u>3,187,513</u>	<u>(3,187,513)</u>	<u>-</u>
Total support and revenue	<u>4,042,644</u>	<u>(2,428,507)</u>	<u>1,614,137</u>
EXPENSES			
Maternal Health	3,323,552	-	3,323,552
Management and General	568,638	-	568,638
Fundraising	<u>104,948</u>	<u>-</u>	<u>104,948</u>
Total expenses	<u>3,997,138</u>	<u>-</u>	<u>3,997,138</u>
Changes in net assets (deficit)	45,506	(2,428,507)	(2,383,001)
Net assets (deficit) at beginning of year	<u>(397,310)</u>	<u>4,244,653</u>	<u>3,847,343</u>
NET ASSETS (DEFICIT) AT END OF YEAR	<u>\$ (351,804)</u>	<u>\$ 1,816,146</u>	<u>\$ 1,464,342</u>

2016		
Unrestricted	Temporarily Restricted	Total
\$ 672,432	\$ -	\$ 672,432
6,167	1,073,799	1,079,966
161,334	-	161,334
310,669	-	310,669
525	-	525
(6,361)	-	(6,361)
<u>2,677,904</u>	<u>(2,677,904)</u>	<u>-</u>
<u>3,822,670</u>	<u>(1,604,105)</u>	<u>2,218,565</u>
3,103,089	-	3,103,089
492,165	-	492,165
<u>75,637</u>	<u>-</u>	<u>75,637</u>
<u>3,670,891</u>	<u>-</u>	<u>3,670,891</u>
151,779	(1,604,105)	(1,452,326)
<u>(549,089)</u>	<u>5,848,758</u>	<u>5,299,669</u>
<u>\$ (397,310)</u>	<u>\$ 4,244,653</u>	<u>\$ 3,847,343</u>

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Maternal Health</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 769,470	\$ 211,941	\$ 54,165	\$ 1,035,576
Benefits and payroll taxes	350,585	86,147	24,504	461,236
Printing and production	6,909	3,638	104	10,651
Professional fees	60,418	23,456	707	84,581
Occupancy	58,633	101,175	5,999	165,807
Accounting and audit	9,810	13,074	469	23,353
Insurance	-	15,847	-	15,847
Telephone	11,260	18,196	404	29,860
Travel and related expenses	261,855	7,958	7,386	277,199
Consulting fees	296,789	1,884	2,723	301,396
Postage and delivery	425	287	168	880
Supplies	4,292	7,222	206	11,720
Subscriptions	12,809	1,383	6,387	20,579
Meetings	19,536	1,438	164	21,138
Advertising	2,787	747	42	3,576
Bank fees	169	4,421	1,107	5,697
Equipment rental and maintenance	7,673	3,500	326	11,499
Sub-grants	1,444,947	-	-	1,444,947
Other expenses	435	2,357	87	2,879
In-kind professional fees	<u>4,750</u>	<u>63,967</u>	<u>-</u>	<u>68,717</u>
TOTAL	<u>\$ 3,323,552</u>	<u>\$ 568,638</u>	<u>\$ 104,948</u>	<u>\$ 3,997,138</u>

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Maternal Health</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 794,826	\$ 177,452	\$ 33,659	\$ 1,005,937
Benefits and payroll taxes	378,568	76,569	16,360	471,497
Printing and production	949	5,422	199	6,570
Professional fees	47,794	42,872	3,958	94,624
Occupancy	57,742	62,395	3,540	123,677
Accounting and audit	3,337	19,157	-	22,494
Insurance	-	13,400	-	13,400
Telephone	18,356	5,258	404	24,018
Travel and related expenses	281,427	4,523	2,340	288,290
Consulting fees	199,779	7,638	1,974	209,391
Postage and delivery	1,203	134	242	1,579
Supplies	3,019	6,285	476	9,780
Subscriptions	13,399	2,693	2,280	18,372
Meetings	26,706	3,530	972	31,208
Advertising	1,916	113	-	2,029
Bank fees	329	4,488	901	5,718
Equipment rental and maintenance	681	969	170	1,820
Sub-grants	1,025,745	-	-	1,025,745
Other expenses	3,341	732	-	4,073
In-kind professional fees	243,422	58,535	8,125	310,082
Donated goods, materials and supplies	550	-	37	587
TOTAL	<u>\$ 3,103,089</u>	<u>\$ 492,165</u>	<u>\$ 75,637</u>	<u>\$ 3,670,891</u>

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

STATEMENTS OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets (deficit)	\$ (2,383,001)	\$ (1,452,326)
Adjustments to reconcile changes in net assets (deficit) to net cash used by operating activities:		
Change in present value discount on noncurrent grants and contributions receivable	(45,006)	(106,799)
Decrease (increase) in:		
Grants and contributions receivable	1,843,777	(146,111)
Due from related entity	-	98
Other receivables	12,086	(8,959)
Sub-grantee advances	36,345	(96,582)
Travel advances	2,875	(2,875)
Prepaid expenses	4,758	(6,242)
Security deposit	-	(13,844)
Increase (decrease) in:		
Accounts payable and accrued liabilities	20,115	(6,111)
Sub-grants payable	(4,860)	(10,665)
Accrued employee benefits	(25,819)	29,805
Deferred rent	<u>4,882</u>	<u>25,951</u>
Net cash used by operating activities	<u>(533,848)</u>	<u>(1,794,660)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash draws from line of credit	450,000	-
Repayments on line of credit	<u>-</u>	<u>(78,533)</u>
Net cash provided (used) by financing activities	<u>450,000</u>	<u>(78,533)</u>
Net decrease in cash and cash equivalents	(83,848)	(1,873,193)
Cash and cash equivalents at beginning of year	<u>282,434</u>	<u>2,155,627</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 198,586</u>	<u>\$ 282,434</u>
SUPPLEMENTAL INFORMATION:		
Interest Paid	<u>\$ -</u>	<u>\$ 778</u>

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The White Ribbon Alliance for Safe Motherhood (WRA) is a locally led, globally connected grassroots movement advocating for the health and rights of women and newborns. WRA actively works in partnership with women, men, their families and communities, professionals and practitioners from diverse fields and all sectors of government. WRA uses many approaches, all of which put citizens at the center.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) ASC 958, *Not-for-Profit Entities*.

Income taxes -

WRA is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. WRA is not a private foundation.

Cash and cash equivalents -

WRA considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, WRA maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Grants and contributions receivable -

Grants and contributions receivable that are expected to be collected in future years are recorded at their fair value, measured at the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in other grants and contracts revenue in the accompanying Statements of Activities and Changes in Net Assets (Deficit).

All grants and contributions receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Uncertain tax positions -

For the years ended December 31, 2017 and 2016, WRA has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include support and revenue received without donor-imposed restrictions. These net assets are available for the operations of WRA and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include support and revenue subject to donor-imposed stipulations that will be met by the actions of WRA and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets (Deficit) as net assets released from restrictions.

Grants and contributions revenue -

Grants and subawards that are awarded to WRA from foundations, bilateral and international organizations, pass-through entities and other non-Federal organizations are generally accounted for as contributions. WRA's policy is to treat donor-restricted grant awards/obligations as temporarily restricted support in the year notification is received from the donor. Grants are recognized as unrestricted support (released from restrictions) only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions (or satisfaction of time restrictions). Grants received in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

Awards to WRA from prime recipients of U.S. Government agencies and pass-through entities are recognized as unrestricted revenue when qualifying direct and indirect expenditures are incurred; any funds received in advance of incurring qualifying expenditures are recorded as refundable advances.

Foreign currency reporting -

WRA maintains cash in U.S. Dollars (USD) and British Pounds (GBP). All non-USD revenues and expenses are reported in the accompanying Statements of Activities and Changes in Net Assets (Deficit) and have been translated to U.S. Dollars using the average annual exchange rate. All year-end assets and liabilities (held in foreign currency) have been revalued at the current spot rates; therefore, exchange rate variances have been reflected as an exchange rate loss in the accompanying Statements of Activities and Changes in Net Assets (Deficit).

Sub-grantee advances, payables and expenses -

Sub-grantee advances consist of amounts provided to partners/sub-grantees to execute project objectives. Project costs incurred by partners/sub-grantees are recorded in the accompanying financial statements when reported to WRA; accordingly, advances are reduced and expenses are increased. Amounts not reimbursed by WRA (to partners/sub-grantees) as of fiscal year-end are recorded as sub-grants payable.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

In-kind contributions -

In-kind contributions consist of professional fees, materials and supplies, and are reported at their estimated fair value based on the number of donated hours and estimated rates of services rendered, or fair value as of the date of gift. The value of in-kind contributions totaled \$68,717 and \$310,669 during the years ended December 31, 2017 and 2016, respectively.

In-kind contributions have been allocated to the following functional expense categories during the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Maternal Health	\$ 4,750	\$ 243,972
Management and General	63,967	58,535
Fundraising	<u>-</u>	<u>8,162</u>
TOTAL IN-KIND CONTRIBUTIONS	<u>\$ 68,717</u>	<u>\$ 310,669</u>

Use of estimates -

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

Functional allocation of expenses -

The costs 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 (Deficit). Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Going concern -

During the year ended December 31, 2017, WRA applied FASB ASU 2014-15, *Presentation of Financial Statements - Going Concern* and evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year after the date the financial statements are issued. See Note 9 for the analysis of the principal conditions, management's evaluation, and future plans that are intended to alleviate the conditions that raise the substantial doubt.

New accounting pronouncements (not yet adopted) -

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

New accounting pronouncements (not yet adopted) (continued) -

The change in each of the classes of net assets must be reported on the Statements of Activities and Changes in Net Assets (Deficit). The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted; however, WRA has not elected to early adopt the ASU. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of WRA's financial statements, it is not expected to alter WRA's reported financial position.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states 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 the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. WRA has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

WRA plans to adopt the new ASUs at the respective required implementation dates.

2. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following as of December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
The Bill and Melinda Gates Foundation - Reinvestment for Improved Delivery of MNH	\$ 1,488,794	\$ 3,795,668
Bayer - Sustainable MHN Self Care	46,712	142,607
MacArthur Foundation - Core Support	134,886	306,378
MacArthur Foundation - Mexico Midwifery	<u>145,754</u>	<u>-</u>
TOTAL TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 1,816,146</u>	<u>\$ 4,244,653</u>

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

3. NET ASSETS RELEASED FROM RESTRICTIONS

The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors:

	<u>2017</u>	<u>2016</u>
IPPF - Core Support 2016	\$ -	\$ 27,020
World Health Organization - Campaign & Capacity	-	43,000
World Health Organization - Civil Society Meeting	-	24,000
World Health Organization - PMNCH Malawi	11,000	-
The Bill and Melinda Gates Foundation - Reinvestment for Improved Delivery of MNH	2,348,734	2,037,581
UN Women SHRH - Advocacy	-	2,162
Bayer - Sustainable MHN Self Care	645,894	353,666
MacArthur Foundation - Core Support	174,639	190,475
MacArthur Foundation - Mexico Midwifery	<u>7,246</u>	<u>-</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>\$ 3,187,513</u>	<u>\$ 2,677,904</u>

4. LEASE COMMITMENTS

Beginning September 1, 2014, WRA was under a 36-month sublease agreement for office space in Washington, D.C. Base rental payments under this agreement were \$7,200 per month, with a 5% annual escalation (and required a security deposit of \$850); the agreement was terminated early, effective August 1, 2016.

On June 21, 2016, WRA signed a new 50-month sublease agreement for a different office space in Washington, D.C., effective July 1, 2016 and which runs through August 31, 2020. Base rental payments under the new agreement are \$14,694 per month, with 4% annual escalation. The first and second month of rental payments were abated, and the first month of the following three years of the agreement will also be abated.

Beginning July 1, 2015, WRA shared a portion of its previous office space with a sub-tenant under a one-year arrangement that expired June 30, 2016 and required rental payment of \$1,800 per month, until the sub-tenant's space was reduced and rental payments decreased to \$1,200 per month; the sub-tenant lease payments were offset against WRA's rent expense in the accompanying Statements of Functional Expenses. The sub-tenant currently subleases office space from WRA in its new office space under a two-year sublease agreement. Rental payments received during the year ended December 31, 2016 totaled \$1,960 per month. Effective March 31, 2017, this sublease was terminated at no cost to the sub-tenant.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability.

During the years ended December 31, 2017 and 2016, the deferred rent liability totaled \$30,833 and \$25,951, respectively.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

4. LEASE COMMITMENTS (Continued)

The following is a schedule of the future minimum lease payments:

<u>Year Ended December 31,</u>	
2018	\$ 171,156
2019	178,002
2020	<u>133,552</u>
	<u>\$ 482,710</u>

Rent expense (net of sub-lease payments received) during the years ended December 31, 2017 and 2016 totaled \$163,574 and \$122,007, respectively, and are included in Occupancy in the accompanying Statements of Functional Expenses.

5. U.S. GOVERNMENT FUNDING

WRA is the recipient of Federal awards through entities funded by the U.S. Government. For the years ended December 31, 2017 and 2016, such grants were subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. However, WRA's expenditures of federal awards during the years ended December 31, 2017 and 2016 were below the \$750,000 threshold as stipulated in the Uniform Guidance, and thus, WRA was not required to be audited pursuant to the provisions of Uniform Guidance for the years ended December 31, 2017 and 2016.

6. LINE OF CREDIT

WRA maintains a \$500,000 line of credit with a local financial institution. The line of credit is secured by WRA's cash and receivables, and bears interest on outstanding borrowings equal to the Federal prime rate plus 1.00% (5.50% and 4.75% as of December 31, 2017 and 2016, respectively), and is renewable annually, subject to satisfactory credit performance.

As of December 31, 2017, the outstanding balance and accrued interest on the line of credit aggregated \$450,000 and \$1,512, respectively. As of December 31, 2016, there were no outstanding borrowings.

7. GRANTS AND CONTRIBUTIONS RECEIVABLE

WRA receives grants and contributions from foundations and international organizations for multi-year program support.

As of December 31, 2017 and 2016, WRA had uncollected commitments from such organizations aggregating \$1,764,482 and \$3,608,259, respectively.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

7. GRANTS AND CONTRIBUTIONS RECEIVABLE (Continued)

The following is a schedule of expected payments to be received in future years, as of December 31, 2017 and 2016:

	2017	2016
Less than one year	\$ 1,764,482	\$ 2,178,455
One to five years	-	1,429,804
Total	1,764,482	3,608,259
Less: Present value discount (3.25%)	-	(45,006)
GRANTS AND CONTRIBUTIONS RECEIVABLE, NET	\$ 1,764,482	\$ 3,563,253

8. RETIREMENT PLANS

WRA provides retirement benefits to its U.S. employees through a 401(k) profit sharing retirement plan covering those U.S. employees 18 years of age and older (employees are eligible immediately upon hire). WRA makes non-elective safe harbor contributions of three percent of eligible compensation. Contributions to the Plan during the years ended December 31, 2017 and 2016 totaled \$36,705 and \$31,274, respectively, and are included in benefits in the accompanying Statements of Functional Expenses.

WRA provided retirement benefits to its U.K. employees through a defined contribution plan. WRA contributed 3% of gross wages. Contributions to the Plan during the year ended December 31, 2016 totaled \$2,857 and are included in benefits in the accompanying Statements of Functional Expenses. During the year ended December 31, 2016, WRA ceased employment of its U.K. employees, and thus, there were no contributions to this Plan during the year ended December 31, 2017.

9. GOING CONCERN

As of December 31, 2017 and 2016, WRA maintained an unrestricted net deficit position of \$(351,804) and \$(397,310), respectively. Additionally, during the years ended December 31, 2017 and 2016, WRA experienced negative cash flows from operations. Management has evaluated the significance of these conditions in relation to WRA's ability to meet its obligations. Management's plans (and current funding conditions) that are intended to alleviate the conditions that raise substantial doubt about WRA's ability to continue as a going concern include the following:

- WRA has secured 100% (\$3.1m) of its 2018 annual budget as of the date of our audit report.
- WRA is in process of renewing a three-year commitment with a major donor (during 2018), and that commitment is expected to total in excess of \$5,000,000, for the period September 2018 through August 2021.
- WRA has projected a positive unrestricted change in net assets for 2018 year in excess of \$43,000, primarily through cost-cutting as well as increased fundraising efforts targeted to corporate, individual, Board, foundation and other donors providing unrestricted funding.
- WRA will continue to draw cash from its \$500,000 line of credit (as needed) in order to meet obligations until such time when its unrestricted reserves have been replenished.

THE WHITE RIBBON ALLIANCE FOR SAFE MOTHERHOOD

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

9. GOING CONCERN (Continued)

The accompanying financial statements have been prepared assuming that WRA will continue as a going concern.

10. CONCENTRATION OF RISK

As discussed in Note 9, management of WRA has evaluated the significance of the conditions in relation to WRA's ability to meet its obligations and has developed plans that intend to alleviate the conditions that raised substantial doubt about WRA's ability to continue as a going concern. Assuming the conditions in Note 9 are not realized, there exists a risk that WRA will be required to wind-down its operations and settle all unspent obligations with its major donors. Additionally, any outstanding obligations with its financial institution (line of credit borrowings) will also be repaid.

11. SUBSEQUENT EVENTS

In preparing these financial statements, WRA has evaluated events and transactions for potential recognition or disclosure through May 30, 2018, the date the financial statements were issued.