



# VITAL VOICES

## GLOBAL PARTNERSHIP

### **Financial Statements and Supplemental Information**

*For the Year Ended December 31, 2016*

*(With Summarized Financial Information for the Year Ended December 31, 2015)*



**and  
Report Thereon**



**VITAL VOICES GLOBAL PARTNERSHIP, INC.**

**TABLE OF CONTENTS**  
**For the Year Ended December 31, 2016**

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	<i><b>Page</b></i>
Independent Auditor's Report.....	1-2
Financial Statements	
Statement of Financial Position .....	3
Statement of Activities .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7-13
Supplemental Information	
Schedule of Revenue and Expenses for Department for International Development Grant: Vital Voices Global Leadership Network for Women, Component Code 202882-103, Purchase Order 40062132 .....	14



*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Vital Voices Global Partnership, Inc.

We have audited the accompanying financial statements of Vital Voices Global Partnership, Inc. (Vital Voices), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, 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 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 Vital Voices Global Partnership, Inc. as of December 31, 2016, 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.

## **Other Matters**

### *Report on Summarized Comparative Information*

We have previously audited Vital Voices' 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 1, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### *Report on Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of revenue and expenses for the Department for International Development Grant is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Raffa, P.C.*

**Raffa, P.C.**

Washington, DC  
May 24, 2017

VITAL VOICES GLOBAL PARTNERSHIP, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2016

(With Summarized Financial Information as of December 31, 2015)

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 3,394,499	\$ 4,217,096
Certificates of deposit	70,733	70,733
Contributions receivable, net	1,178,452	3,622,392
Government grants and contracts receivable	259,395	561,269
Accounts receivable	23,252	11,987
Prepaid expenses	325,687	294,494
Inventory	13,407	19,631
Property and equipment, net	87,093	111,674
TOTAL ASSETS	<u>\$ 5,352,518</u>	<u>\$ 8,909,276</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 226,605	\$ 385,866
Accrued leave	64,780	55,362
Refundable advances	-	6,975
Funds held on behalf of others	11,357	11,183
Deferred rent and lease benefit	358,089	391,511
TOTAL LIABILITIES	<u>660,831</u>	<u>850,897</u>
Net Assets		
Unrestricted	1,619,620	1,485,276
Temporarily restricted	3,072,067	6,573,103
TOTAL NET ASSETS	<u>4,691,687</u>	<u>8,058,379</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,352,518</u>	<u>\$ 8,909,276</u>

The accompanying notes are an integral part of these financial statements.

**VITAL VOICES GLOBAL PARTNERSHIP, INC.**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2016**

**(With Summarized Financial Information for the Year Ended December 31, 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 600,419	\$ 2,894,045	\$ 3,494,464	\$ 7,633,428
Special events revenue	1,820,272	66,000	1,886,272	2,121,235
Government grants and contracts	1,726,995	-	1,726,995	3,243,707
In-kind goods and services	366,390	-	366,390	394,554
Other revenue	14,254	-	14,254	6,992
Net assets released from restrictions:				
Satisfaction of program restrictions	5,954,580	(5,954,580)	-	-
Satisfaction of time restrictions	506,501	(506,501)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>10,989,411</u>	<u>(3,501,036)</u>	<u>7,488,375</u>	<u>13,399,916</u>
<b>EXPENSES</b>				
Program Services:				
Signature Programs	4,514,628	-	4,514,628	5,931,372
Individualized Investments	2,760,592	-	2,760,592	981,845
Network Activation	955,408	-	955,408	1,751,536
Global Engagement and Public Awareness	294,356	-	294,356	362,525
Total Program Services	<u>8,524,984</u>	<u>-</u>	<u>8,524,984</u>	<u>9,027,278</u>
Supporting Services:				
Management and general	704,243	-	704,243	724,779
Development and fundraising	1,515,024	-	1,515,024	1,561,108
Fundraising – cost of direct benefit to donors	110,816	-	110,816	110,045
Total Supporting Services	<u>2,330,083</u>	<u>-</u>	<u>2,330,083</u>	<u>2,395,932</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>10,855,067</u>	<u>-</u>	<u>10,855,067</u>	<u>11,423,210</u>
Return of unused grant funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,475</u>
<b>TOTAL EXPENSES</b>	<u>10,855,067</u>	<u>-</u>	<u>10,855,067</u>	<u>11,461,685</u>
<b>CHANGE IN NET ASSETS</b>	134,344	(3,501,036)	(3,366,692)	1,938,231
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,485,276</u>	<u>6,573,103</u>	<u>8,058,379</u>	<u>6,120,148</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,619,620</u>	<u>\$ 3,072,067</u>	<u>\$ 4,691,687</u>	<u>\$ 8,058,379</u>

The accompanying notes are an integral part of these financial statements.

VITAL VOICES GLOBAL PARTNERSHIP, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2016  
(With Summarized Financial Information for the Year Ended December 31, 2015)

	Program Services					Supporting Services				
	Signature Programs	Individualized Investments	Network Activation	Global Engagement and Public Awareness	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	2016 Total	2015 Total
Salaries and benefits	\$ 1,589,060	\$ 315,787	\$ 254,231	\$ 169,460	\$ 2,328,538	\$ 966,238	\$ 526,474	\$ 1,492,712	\$ 3,821,250	\$ 4,397,906
Travel	818,673	636,550	69,113	3,681	1,528,017	52,118	68,839	120,957	1,648,974	1,342,419
Professional fees	462,496	591,292	50,145	47,844	1,151,777	114,401	279,005	393,406	1,545,183	1,589,701
Federal subrecipient awards	-	292,403	416,773	-	709,176	-	-	-	709,176	802,119
Nonfederal grants awards	280,079	345,085	3,925	2,583	631,672	-	-	-	631,672	877,976
Training and conferences	456,998	136,571	25,584	-	619,153	-	-	-	619,153	533,618
Occupancy	-	-	-	-	-	580,389	-	580,389	580,389	585,000
Receptions and special events	-	-	-	1,603	1,603	-	442,470	442,470	444,073	403,683
In-kind goods and services	239,154	13,328	-	-	252,482	112,335	1,574	113,909	366,391	394,554
Other expenses	40,355	47,472	2,517	11,487	101,831	72,407	14,357	86,764	188,595	130,591
Printing	5,052	3,164	-	-	8,216	16,647	37,634	54,281	62,497	55,726
Postage, office supplies and small furniture	20,924	2,553	1,386	1,468	26,331	33,558	32,077	65,635	91,966	101,210
Telephone and internet	14,016	259	810	-	15,085	32,875	1,033	33,908	48,993	67,405
Insurance	-	-	-	-	-	45,600	-	45,600	45,600	47,582
Repairs and maintenance	2,466	-	119	15,929	18,514	8,059	-	8,059	26,573	44,169
Depreciation and amortization	-	-	-	-	-	24,582	-	24,582	24,582	49,551
Allocation of general and administrative expenses	585,355	376,128	130,805	40,301	1,132,589	(1,354,966)	222,377	(1,132,589)	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 4,514,628</b>	<b>\$ 2,760,592</b>	<b>\$ 955,408</b>	<b>\$ 294,356</b>	<b>\$ 8,524,984</b>	<b>\$ 704,243</b>	<b>\$ 1,625,840</b>	<b>\$ 2,330,083</b>	<b>\$ 10,855,067</b>	<b>\$ 11,423,210</b>

The accompanying notes are an integral part of these financial statements.

**VITAL VOICES GLOBAL PARTNERSHIP, INC.**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2016**

**(With Summarized Financial Information for the Year Ended December 31, 2015)**

**Increase (Decrease) in Cash and Cash Equivalents**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (3,366,692)	\$ 1,938,231
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	24,582	49,551
Change in allowance for bad debt	35,000	-
Amortization of deferred lease benefit	11,746	11,746
Changes in assets and liabilities:		
Contributions receivable	2,408,941	(558,187)
Government grants and contracts receivable	301,874	330,909
Accounts receivable	(11,265)	47,433
Prepaid expenses	(31,193)	(96,678)
Inventory	6,224	2,378
Accounts payable and accrued expenses	(159,261)	71,399
Accrued leave	9,418	(23,834)
Deferred revenue	-	(117,683)
Refundable advances	(6,975)	(135,169)
Funds held on behalf of others	174	(5,872)
Deferred rent and lease benefit	<u>(45,170)</u>	<u>(15,498)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>(822,597)</u>	<u>1,498,726</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	<u>-</u>	<u>(4,473)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>-</u>	<u>(4,473)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(822,597)	1,494,253
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>4,217,096</u>	<u>2,722,843</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 3,394,499</u></u>	<u><u>\$ 4,217,096</u></u>

The accompanying notes are an integral part of these financial statements.



# **VITAL VOICES GLOBAL PARTNERSHIP, INC.**

## **NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2016**

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### **1. Organization and Summary of Significant Accounting Policies**

#### **Organization**

Vital Voices Global Partnership, Inc. (Vital Voices) was incorporated on March 1, 1999, under the laws of the state of Delaware as a nonprofit 501(c)(3) public charity. Vital Voices identifies a woman leader with a daring vision, and then partners with her to make that vision a reality. Through long-term investments that expand her skills, connections and visibility, Vital Voices accelerates her efforts. These activities are funded primarily through foundation and corporate grants, contributions from individuals, and United States and foreign government awards.

Vital Voices operates outside the United States through Vital Voices Europe, Ltd. Vital Voices also operates through a network of partners based in Argentina, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Poland and Ukraine. Each of the foreign entities operates as a separate and distinct organization, with its own governance and financial structure.

#### **Basis of Accounting**

The financial statements of Vital Voices have been prepared on the accrual basis of accounting.

#### **Cash Equivalents**

Vital Voices considers money market funds and certificates of deposit with original maturity dates of 90 days or less to be cash equivalents.

#### **Certificates of Deposit**

Certificates of deposit are reported at fair value. 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.

#### **Fair Value Measurement**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America (GAAP) and requires disclosures about fair value measurement for assets and liabilities measured at fair value on a recurring basis. The ASC emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurement, the ASC established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. These inputs may be observable, whereby market participant assumptions are developed based on market data obtained from independent sources, and unobservable, whereby assumptions about market participant assumptions are developed by the reporting entity based on the best information available in the circumstances.

**VITAL VOICES GLOBAL PARTNERSHIP, INC.**

**NOTES TO FINANCIAL STATEMENTS  
For the Year Ended December 31, 2016**

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1. Organization and Summary of Significant Accounting Policies (continued)

**Fair Value Measurement (continued)**

The three levels of the fair value hierarchy are described as follows:

*Level 1* – Inputs based on quoted market prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.

*Level 2* – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.

*Level 3* – Unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining the fair value measurement.

As of and for the year ended December 31, 2016, only Vital Voices' certificates of deposit were measured at fair value on a recurring basis, using inputs such as quoted prices for similar assets in active markets (Level 2 as indicated above). The certificates of deposit are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable characteristics.

**Property and Equipment and Related Depreciation and Amortization**

Furniture, equipment and software are stated at cost and are depreciated and amortized on a straight-line basis over three to 10 years, with no salvage value. Leasehold improvements are amortized over the shorter of their useful life or the remaining life of the lease. Vital Voices capitalizes expenditures for furniture, equipment, software and leasehold repairs and improvements in excess of \$5,000. Expenditures for purchases, repairs and maintenance of less than \$5,000 are expensed when incurred.

**Classification of Net Assets**

The net assets of Vital Voices are reported as follows:

- Unrestricted net assets represent the portion of expendable funds that are available for support of the operations of Vital Voices.
- Temporarily restricted net assets are specifically restricted by donors for various programs or future periods.

**Revenue Recognition**

Grants and contributions are reported as revenue in the year in which payments are received and/or unconditional promises to give are made. Vital Voices reports gifts of cash and other assets as temporarily restricted if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions.

**VITAL VOICES GLOBAL PARTNERSHIP, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2016**

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1. Organization and Summary of Significant Accounting Policies (continued)

**Revenue Recognition (continued)**

Grants and contributions that are expected to be collected within one year are recorded at net realizable value. Grants and contributions that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

Vital Voices has grants and contracts with United States and foreign government agencies in exchange for services. Revenue from these grants and contracts is recognized as allowable costs are incurred on the basis of direct costs plus allowable indirect costs. Revenue recognized on grants and contracts for which payments have not been received is reflected as government grants and contracts receivable in the accompanying statement of financial position. Grant and contract awards received but not yet expended for the purpose of the award are included as deferred revenue in the accompanying statement of financial position. Grant funds received in advance which are not going to be expended for their original purpose are recognized as refundable advances in the accompanying statement of financial position. These grant funds will be returned to the grantors.

**Grant Expenses**

Unconditional grants are expensed in the year in which the grant commitment is made to the partner organizations. Conditional grants are not included as expenses until such time as the conditions are substantially met.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon various methods deemed to justify the benefits received by those programs and supporting services.

**Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Contributions Receivable

Contributions receivable totaled \$1,213,452 as of December 31, 2016, and represent amounts due from individuals, foundations and corporations. The allowance for doubtful account was \$35,000 as of December 31, 2016. All receivables were anticipated to be received within one year.

**VITAL VOICES GLOBAL PARTNERSHIP, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2016**

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3. Property and Equipment

Vital Voices held the following property and equipment as of December 31, 2016:

Furniture and equipment	\$ 108,451
Leasehold improvements	175,174
Software and website	<u>95,315</u>
Total Property and Equipment	378,940
Less: Accumulated Depreciation and Amortization	<u>(291,847)</u>
Property and Equipment, Net	<u>\$ 87,093</u>

For the year ended December 31, 2016, depreciation and amortization expense was \$24,582.

4. Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purposes and time periods as of December 31, 2016:

Signature Programs	\$ 1,934,123
Individualized Investments	923,994
Time-restricted general operations	118,500
Global Engagement and Public Awareness	77,037
Network Activation	<u>18,413</u>
Total Temporarily Restricted Net Assets	<u>\$ 3,072,067</u>

5. In-Kind Goods and Services

Vital Voices receives donated professional services, lodging, airfare and other goods in support of all of its programs and supporting services. In-kind goods and services of \$366,390, representing the fair value of these goods and services, as based upon comparable market rates for similar goods and services, have been recorded as revenue and expenses in the accompanying financial statements for the year ended December 31, 2016.

6. Line of Credit

In May 2013, Vital Voices obtained a \$600,000 secured revolving line of credit with a bank, available through August 31, 2017. The line of credit is secured by a blanket lien on all of Vital Voices' assets. Amounts drawn on this line of credit accrue interest at the London Interbank Offered Rate (LIBOR) Daily Floating Rate plus 2.5%. As of December 31, 2016, the interest rate was 3.2%. There were no borrowings during the year ended December 31, 2016, and as of December 31, 2016, Vital Voices had no outstanding balance under this line of credit.

# VITAL VOICES GLOBAL PARTNERSHIP, INC.

## NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2016

### 7. Commitments and Contingencies

#### Lease

On June 30, 2010, Vital Voices entered into a noncancelable operating lease for office space in Washington, DC. The annual base rent is \$39 per square foot for 10,882 square feet of space, with an escalation of approximately 2.5% annually and an abatement of one-half of each of the first six monthly installments in the first year.

The lease commenced on November 1, 2010, and will expire on January 31, 2019. Under the lease agreement, Vital Voices was required to provide the landlord with a security deposit of two months' rent. A \$70,733 irrevocable letter was issued by Vital Voices' financial institution in lieu of a cash security deposit. The letter of credit renews annually and is secured by the certificates of deposit reported in the accompanying statement of financial position.

On September 8, 2011, Vital Voices entered into the lease's first amendment. The amendment commenced on January 1, 2012, and extends the term of the lease through February 28, 2021. The amendment also expanded the premises to include an additional 4,287 square feet of space. The annual base rent for the expanded premises is \$42.75 per square foot, with an escalation of approximately 2.5% annually and an abatement of one-half of each of the first four monthly installments in the first year. Additionally, the lease provided Vital Voices with a tenant allowance of \$107,668, which Vital Voices used in 2012.

Under GAAP, all rental payments, including fixed rent increases, less any rental abatements and other incentives are recognized on a straight-line basis over the term of the lease. The difference between the GAAP rent expense and the required lease payments is reflected as deferred rent and lease benefit in the accompanying statement of financial position.

On June 21, 2013, Vital Voices entered into an agreement to sublease a portion of its office space. The sublease commenced on July 1, 2013, and expired on June 30, 2016. On July 16, 2015, Vital Voices entered into an agreement to extend the sublease for a period of 24 months. The extension commenced on July 1, 2016, and is set to expire on June 30, 2018. The subtenant rental terms are approximately the same as those contained in the master lease between the landlord and Vital Voices.

As of December 31, 2016, future minimum lease payments required under this operating lease, exclusive of pass-through operating expenses and net of subtenant rent, were as follows:

For the Year Ending December 31,	Lease	Sublease	Net
2017	\$ 723,205	(131,796)	591,409
2018	741,217	(65,898)	675,319
2019	759,774	-	759,774
2020	778,829	-	778,829
2021	132,666	-	132,666
Total	<u>\$ 3,135,691</u>	<u>\$ (197,694)</u>	<u>\$ 2,937,997</u>

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## VITAL VOICES GLOBAL PARTNERSHIP, INC.

### NOTES TO FINANCIAL STATEMENTS For the Year Ended December 31, 2016

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#### 7. Commitments and Contingencies (continued)

##### **Lease (continued)**

For the year ended December 31, 2016, net rent expense was \$580,389, which is included in occupancy expense in the accompanying statement of functional expenses.

##### **Conditional Grants**

Vital Voices provides certain grants to organizations, small businesses and individuals each year that are core to its mission. These grants are contingent on grant awardees' achievement of certain goals and milestones mutually agreed upon with Vital Voices, as well as conditional funding approval for future years from Vital Voices. During the year ended December 31, 2016, Vital Voices recognized \$235,161 in expenses relating to these grants based on the full execution of agreements and the achievement of the agreed-upon milestones, which amount is included in nonfederal grant awards expense in the accompanying statement of functional expenses. The total remaining balance of \$30,045 of grants executed as of December 31, 2016, will be recognized in future periods upon achievement of the agreed-upon milestones and approval of funding by Vital Voices.

##### **Concentration of Risk**

Vital Voices maintains its cash and cash equivalents and certificates of deposit with certain commercial financial institutions, for which aggregate balances may exceed, at times, the Federal Deposit Insurance Corporation (FDIC) insured limit of \$250,000 per depositor per institution. As of December 31, 2016, Vital Voices had approximately \$3,470,000 composed of demand deposits, money market funds and certificates of deposit, which exceeded the maximum limit insured by the FDIC by approximately \$3,220,000. Vital Voices monitors the creditworthiness of these institutions and has not experienced any historical credit losses on its cash and cash equivalents and certificates of deposit.

##### **Office of Management and Budget Uniform Guidance**

Vital Voices has instructed its independent auditors to audit its applicable federal programs for the year ended December 31, 2016, in compliance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), issued by the U.S. Office of Management and Budget (OMB). Until such audit is reviewed and accepted by the contracting or granting agencies, there exists a contingent liability to refund any amounts received in excess of allowable costs. Management believes that any matters arising from the reviews by the federal or state agencies of the independent auditor's reports for fiscal year 2016 will not have a material effect on Vital Voices' financial position as of December 31, 2016, or its results of operations for the year then ended.

#### 8. Retirement Plan

Vital Voices sponsors a tax-deferred annuity plan that is qualified under Section 403(b) of the Internal Revenue Code (the IRC). Participating employees may make salary reduction contributions to the plan up to the maximum amount permitted by the IRC. Vital Voices makes

**VITAL VOICES GLOBAL PARTNERSHIP, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2016**

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8. Retirement Plan (continued)

a discretionary matching contribution to each participant's account. The retirement expense was \$44,762 for the year ended December 31, 2016, and is included in salaries and benefits expense in the accompanying statement of functional expenses.

9. Income Taxes

Under Section 501(c)(3) of the IRC, Vital Voices is exempt from federal taxes on income other than net unrelated business income. For the year ended December 31, 2016, no provision for income taxes was made, as Vital Voices had no net unrelated business income. Vital Voices performed an evaluation of its uncertainty in income taxes for the year ended December 31, 2016, and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. As of December 31, 2016, the statute of limitations for tax years 2013 through 2015 remains open with the U.S. federal jurisdiction or the various states and local jurisdictions in which Vital Voices files tax returns. It is Vital Voices' policy to recognize interest and/or penalties related to uncertainty in income taxes, if any, in income tax expense. As of December 31, 2016, Vital Voices had no accruals for interest and/or penalties.

10. Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Vital Voices' financial statements for the year ended December 31, 2015, from which the summarized information was derived.

11. Reclassifications

During the year ended December 31, 2016, Vital Voices refined its program service expenses categories to reflect its strategic program objectives. Accordingly, the 2015 program service categories in the accompanying financial statements have been reclassified to conform with the 2016 financial statement presentation.

12. Subsequent Events

In preparing these financial statements, Vital Voices has evaluated events and transactions for potential recognition or disclosure through May 23, 2017, the date the financial statements were available to be issued. There were no subsequent events identified through May 24, 2017, that require recognition or disclosure in these financial statements.

## **SUPPLEMENTAL INFORMATION**



**VITAL VOICES GLOBAL PARTNERSHIP, INC.**  
**VITAL VOICES GLOBAL LEADERSHIP NETWORK FOR WOMEN**  
**SCHEDULE OF REVENUE AND EXPENSES**  
**DEPARTMENT FOR INTERNATIONAL DEVELOPMENT GRANT**  
**COMPONENT CODE 202882-103,**  
**PURCHASE ORDER 40062132**

**For the Year Ended December 31, 2016**

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**REVENUE**

Grant revenue	\$ 141,616
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TOTAL REVENUE	<u>141,616</u>
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**EXPENSES**

Direct expenses:

Personnel	81,413
Professional fees	35,347
Travel	5,252
Other direct costs	4,047
Onsite training expenses	<u>497</u>

Total Direct Expenses	126,556
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Indirect expenses	<u>15,060</u>
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TOTAL EXPENSES	<u>141,616</u>
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REVENUE IN EXCESS OF EXPENSES	<u><u>\$ -</u></u>
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