

**EQUALITY NOW, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2015
(With Comparative Totals for 2014)**



Equality Now

A just world for women and girls.

FINANCIAL STATEMENTS

DECEMBER 31, 2015

(With Comparative Totals for 2014)

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Equality Now, Inc.
New York, NY

We have audited the accompanying statement of financial position of Equality Now, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2015, 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 did not audit the financial statements of the Organization's Nairobi Office, which statements reflect total assets of \$756,661 as of December 31, 2015, and total revenues of \$1,092,565, for the year then ended. Those statements were audited by another auditor whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Organization's Nairobi Office, is based solely on the report of the other auditor. 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, based on our audit and the work of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of Equality Now, Inc. as of December 31, 2015 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Equality Now, Inc.'s 2014 financial statements, and our report dated November 11, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Lederer, Levine & Associates, LLC

October 26, 2016

EQUALITY NOW, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015
(With Comparative Totals for 2014)

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents (Note B)	\$ 2,836,750	\$ 3,106,570
Contributions and grants receivable (Notes B and C)	3,269,084	3,494,155
Investments (Notes B and D)	1,600,691	1,111,101
Prepaid expenses	49,707	41,043
Property and equipment, net (Notes B and E)	34,475	16,935
Other assets	39,355	44,194
Beneficial interest in trust (Notes B and K)	<u>83,670</u>	<u>88,623</u>
TOTAL ASSETS	<u>\$ 7,913,732</u>	<u>\$ 7,902,621</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ <u>499,259</u>	\$ <u>120,533</u>
TOTAL LIABILITIES	<u>499,259</u>	<u>120,533</u>
Commitments and Contingencies (Note H)		
NET ASSETS		
Unrestricted	3,102,564	3,602,547
Temporarily restricted (Note F)	<u>4,311,909</u>	<u>4,179,541</u>
TOTAL NET ASSETS	<u>7,414,473</u>	<u>7,782,088</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,913,732</u>	<u>\$ 7,902,621</u>

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

EQUALITY NOW, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
PUBLIC SUPPORT AND REVENUE:				
Contributions and grants:				
Foundations	\$ 598,945	\$ 2,372,801	\$ 2,971,746	\$ 5,329,419
Individual donors	1,014,786	449,491	1,464,277	1,870,963
Corporations	21,173	3,684	24,857	61,714
Special events (net of event costs of \$263,651 in 2014)				334,413
Donated goods and services (Note G)	1,728,333		1,728,333	159,802
Investment income (Note D)	14,357		14,357	79,326
Net currency losses	(11,837)		(11,837)	(20,508)
Other income	1,707		1,707	4,835
	3,367,464	2,825,976	6,193,440	7,819,964
Net assets released from restrictions	2,693,608	(2,693,608)		
	6,061,072	132,368	6,193,440	7,819,964
EXPENSES:				
Program services	5,366,077		5,366,077	3,696,386
Management and general	671,514		671,514	578,299
Fund-raising	523,464		523,464	572,176
	6,561,055		6,561,055	4,846,861
Change in Net Assets	(499,983)	132,368	(367,615)	2,973,103
Net Assets - Beginning of Year	3,602,547	4,179,541	7,782,088	4,808,985
NET ASSETS - END OF YEAR	\$ 3,102,564	\$ 4,311,909	\$ 7,414,473	\$ 7,782,088

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

EQUALITY NOW, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals for 2014)

	2015										2014	
	Program Services					Supporting Services					Total	Total
	Sexual Violence	FGM	Trafficking	Discrimination in Law	Outreach	Total Program Services	Management and General	Fund- Raising	Total Supporting Services	Total Expenses	Total Expenses	Total Expenses
Salaries	\$ 243,764	\$ 350,827	\$ 310,250	\$ 468,662	\$ 153,186	\$ 1,526,689	\$ 201,299	\$ 263,003	\$ 464,302	\$ 1,990,991	\$ 1,494,220	
Payroll taxes and employee benefits (Note I)	45,091	48,338	54,410	63,482	31,044	242,365	25,603	53,431	79,034	321,399	224,856	
Professional services and consultants (Note G)	84,546	123,932	88,272	1,782,621	272,158	2,351,529	278,339	117,424	395,763	2,747,292	1,311,818	
Grants	83,237	281,294	29,900	44,852		439,283				439,283	806,386	
Rent and utilities	35,288	30,785	30,591	48,021	15,402	160,087	11,807	23,585	35,392	195,479	186,196	
Travel and accommodations	4,696	64,415	20,192	314,367	47	403,717	58,355	13,800	72,155	475,872	406,775	
Translations	9,978	19,643	4,482	33,397	1,626	69,126	435		435	69,561	87,735	
Telephone	1,372	1,306	1,656	3,578	357	8,269	4,154	2,016	6,170	14,439	16,607	
Banking fees	229	300	481	635	48	1,693	25,363	6,343	31,706	33,399	35,513	
Computer network fees	7,230	4,879	6,152	8,759	4,839	31,859	2,600	19,968	22,568	54,427	51,127	
Conferences		9,489		28,219	2,630	40,338	2,089		2,089	42,427	33,248	
Dues and subscriptions			25		551	576	2,568	1,269	3,837	4,413	2,055	
Insurance	684	546	755	1,079	527	3,591	12,098	868	12,966	16,557	17,651	
Office expense	4,909	1,932	5,319	9,713	1,720	23,593	2,503	2,706	5,209	28,802	30,737	
Postage and delivery	575	597	604	1,190	6	2,972	1,287	1,420	2,707	5,679	7,778	
Printing and duplication	71	12,617	204	32,789	15	45,696	1,625	15,924	15,924	61,620	53,438	
Repairs and maintenance				394		394	1,625		1,625	2,019	2,154	
Supplies	2,097	1,513	1,677	2,638	1,078	9,003	688	1,707	2,395	11,398	9,577	
Audiovisual		4,022		1,275		5,297				5,297	12,879	
Board expenses							32,985		32,985	32,985	33,177	
Depreciation and amortization							7,716		7,716	7,716	22,934	
TOTAL EXPENSES	\$ 523,767	\$ 956,435	\$ 554,970	\$ 2,845,671	\$ 485,234	\$ 5,366,077	\$ 671,514	\$ 523,464	\$ 1,194,978	\$ 6,561,055	\$ 4,846,861	

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

EQUALITY NOW, INC.
STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2015
(With Comparative Totals for 2014)

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (367,615)	\$ 2,973,103
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	7,716	22,934
Loss on disposition of property and equipment		18,200
Net unrealized losses (gains) on investments	40,192	(34,946)
Net realized gains on investments	(26,575)	(23,113)
Changes in:		
Contributions and grants receivable	225,071	(2,093,911)
Prepaid expenses	(8,664)	(9,887)
Other assets	4,839	2,426
Beneficial interest in trust	4,953	(3,657)
Accounts payable and accrued expenses	378,726	39,402
Net cash provided by operating activities	<u>258,643</u>	<u>890,551</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	663,054	157,324
Purchases of investments	(1,166,261)	(159,999)
Purchases of property and equipment	(25,256)	(4,200)
Net cash used by investing activities	<u>(528,463)</u>	<u>(6,875)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(269,820)	883,676
Cash and cash equivalents - Beginning of Year	<u>3,106,570</u>	<u>2,222,894</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,836,750</u>	<u>\$ 3,106,570</u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

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

EQUALITY NOW, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note A - Organization and Nature of Activities

Organization

Equality Now, Inc. (the "Organization") is an international human rights organization, with offices in New York, London, and Nairobi, dedicated to achieving legal and systemic change that addresses violence and discrimination against women and girls around the world. The Organization advocates for the human rights of women and girls through: international advocacy and mobilization of the Equality Action Network; awareness-raising in the media; partnerships and coalition building and grassroots level women's rights groups; strengthening international, national and regional human rights law, standards and mechanisms; conducting strategic litigation; and mobilizing financial and capacity-building support for local groups. The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The London Office is registered as a charity in England and Wales. The Nairobi Office is registered as a charity in Kenya.

Description of Program Activities:

Sexual Violence

Sexual violence is perpetrated around the world on girls and women of all ages and all backgrounds. The Organization works to end such violence by ensuring that systems and laws are in place to effectively address sexual violence through proper investigation, prosecution and punishment of perpetrators. The Organization's Adolescent Girls' Legal Defense Fund ("AGLDF") supports and publicizes strategically selected legal cases representing human rights abuses of adolescent girls in order to increase legal protections for girls.

Female Genital Mutilation

The campaign to eradicate female genital mutilation ("FGM") involves working closely with and supporting grassroots activists and organizations in establishing and implementing appropriate strategies to eradicate FGM globally.

Trafficking

The Organization works to end the trafficking of women and girls, particularly for purposes of commercial sexual exploitation, by educating the public, targeting sex tourism operators and influencing policy makers to pass strong, effective anti-trafficking legislation. The Organization works closely with local organizations, as well as with government officials and United Nations representatives, to achieve these goals in accordance with national and international laws.

Discrimination in Law

Believing that equal treatment of women and men under the law is necessary for women and girls to realize their full potential and enjoy equal rights and opportunities with men, the Organization works for the repeal of all laws that discriminate against women in accordance with international and regional human rights standards, and for women's access to justice at all levels.

Outreach

The Equality Action Network consists of over 50,000 individuals and organization in over 190 countries around the world, who take action in response to appeals on behalf of women and girls, participate in campaigns on broader women's issues, and channel information and strategy on women's concerns in their own countries back through the network.

EQUALITY NOW, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(continued)

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements using the accrual basis of accounting. The Organization follows accounting principles generally accepted in the United States of America ("US GAAP") which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less at the date of purchase to be cash equivalents, except for cash equivalents maintained in the Organization's investment accounts (see Note D).

Contributions Receivable

Contributions receivable, which consist of unconditional promises to give, are recognized as revenue in the year received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Grants are accounted for in the period when confirmation of the commitment to pay is received from the donor.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. The Organization capitalizes property and equipment with a useful life of three years or more and a cost of \$1,000 or more.

Restricted Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Accrued Vacation

Employees accrue vacation on an annual basis. Unused vacation must be used within three months of year-end. Accrued vacation is included as an expense and liability in the accompanying financial statements and represents the liability for the cost of unused employee vacation time payable in the event of employee terminations. At December 31, 2015, the accrued vacation obligation was \$50,252.

EQUALITY NOW, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(continued)

Note B – Summary of Significant Accounting Policies (continued)

Revenue Recognition

Revenue is recognized when earned. Advances on grants subject to conditions, are reported as deferred revenue until such time that the conditions are met.

In addition, sponsorships received in advance for future events are recorded as deferred revenue. These sponsorships are recognized as revenue when the event takes place.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

Accounting for Uncertainty in Income Taxes

The Organization's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 26, 2016.

Fair Value Measurements

The Organization under US GAAP established a fair value hierarchy organized into three levels based upon the "input" assumptions used in pricing assets. Level 1 inputs relate to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable either directly or indirectly with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The values by input level of the Organization's investments as of December 31, 2015 and 2014 are as follows:

	2015			
	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash	\$ 33,109	\$	\$	\$ 33,109
Equity securities	644,993			644,993
Fixed income	922,589			922,589
	<u>\$1,600,691</u>	<u>\$</u>	<u>\$</u>	<u>\$1,600,691</u>
	2014			
	Level 1	Level 2	Level 3	Total
Assets				
Investments				
Cash	\$ 157,244	\$	\$	\$ 157,244
Equity securities	353,602			353,602
Fixed income	600,255			600,255
	<u>\$1,111,101</u>	<u>\$</u>	<u>\$</u>	<u>\$1,111,101</u>

EQUALITY NOW, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(continued)

Note C – Contributions and Grants Receivable

At each year-end, contributions and grants receivable were estimated to be due as follows:

	December 31,	
	2015	2014
Less than one year	\$ 2,414,484	\$ 2,200,716
One to five years	<u>863,381</u>	<u>1,299,811</u>
	3,277,865	3,500,527
Less: present value discount	<u>(8,781)</u>	<u>(6,372)</u>
	<u>\$ 3,269,084</u>	<u>\$ 3,494,155</u>

The Organization estimates that, based on a history of satisfactory collections, contributions and grants receivable will be collected in full. Therefore, no allowance for uncollectible amounts has been provided.

Note D – Investments

At each year-end, investments consisted of the following:

	December 31,			
	2015		2014	
	Market Value	Cost	Market Value	Cost
Cash	\$ 33,109	\$ 33,109	\$ 157,244	\$ 157,244
Equity securities	644,993	595,519	353,602	284,597
Fixed income	<u>922,589</u>	<u>922,158</u>	<u>600,255</u>	<u>582,343</u>
	<u>\$1,600,691</u>	<u>\$1,550,786</u>	<u>\$1,111,101</u>	<u>\$1,024,184</u>

During each year, the Organization's investment income consisted of the following:

	December 31,	
	2015	2014
Interest and dividends	\$ 27,974	\$ 21,267
Net realized gains	26,575	23,113
Net unrealized (losses) gains	<u>(40,192)</u>	<u>34,946</u>
	<u>\$ 14,357</u>	<u>\$ 79,326</u>

EQUALITY NOW, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(continued)

Note E – Property and Equipment

At each year-end, property and equipment consisted of the following:

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Office furniture and fixtures	\$ 24,039	\$ 24,039
Office equipment	78,854	56,428
Leasehold improvements	1,145	1,145
Software	36,149	33,319
Website	<u>45,764</u>	<u>45,764</u>
	185,951	160,695
Less: accumulated depreciation and amortization	<u>(151,476)</u>	<u>(143,760)</u>
	<u>\$ 34,475</u>	<u>\$ 16,935</u>

Note F - Temporarily Restricted Net Assets

At each year-end, temporarily restricted net assets were restricted as follows:

	<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>
Purpose restrictions	\$ 820,652	\$ 673,723
Purpose and time restrictions	3,407,587	3,417,195
Time restrictions	<u>83,670</u>	<u>88,623</u>
	<u>\$ 4,311,909</u>	<u>\$ 4,179,541</u>

Note G - Donated Goods and Services

Contributions of services are recognized by the Organization as both revenue and expense in the accompanying statements of activities, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. The fair value of contributed services, which included consulting and legal services, was \$1,728,333 for 2015 and \$159,802 for 2014.

Note H – Commitments and Contingencies

The Organization is obligated for office space for its New York headquarters and its Nairobi and London offices, under operating leases that expire through 2019. The Organization also rents office equipment under leases which expire in 2017. The related future minimum rentals, exclusive of real estate tax escalation charges, are approximately as follows:

<u>Year</u>	<u>Office Rent</u>	<u>Office Equipment</u>	<u>Totals</u>
2016	\$ 136,790	\$ 6,577	\$ 143,367
2017	153,816	2,160	155,976
2018	138,000		138,000
2019	46,000		46,000

Rental expense under the above lease obligations including utilities was approximately \$195,500 for 2015 and \$186,200 for 2014.

EQUALITY NOW, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015
(continued)

Note I - Employee Benefit Plan

The Organization has a savings incentive plan in which it contributes up to 3% of all participants' salaries. Employer contributions were approximately \$23,500 for 2015 and \$14,700 for 2014.

Note J - Concentration of Credit Risk

The Organization maintains several bank accounts at banks which are institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. At December 31, 2015 and 2014, there were uninsured cash balances of approximately \$1,310,700 and \$1,617,000, respectively. Management believes that credit risk related to these accounts is minimal.

Note K - Beneficial Interest in Trust

In January, 2011, the Organization was notified that it was designated as beneficiary of a Charitable Lead Annuity Trust (the "Trust") that provides for nineteen (19) annual gift payments of \$7,142 on or around each year end. The present value of the Organization's Beneficial Interest in the Trust was calculated as follows (net of the fifth gift payment of \$7,142, which is included in contributions and grants receivables).

Approximate fair value of Beneficial Interest in Trust	\$ <u>83,670</u>
Discount rate	<u>2.47%</u>