

Huirou Commission: Women Homes & Community

**Financial Statements
and
Independent Auditors' Report**

For the Fiscal Year Ending December 31, 2011

Huirou Commission: Women Homes & Community

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Independent Auditors' Report

To the Board of Trustees of
Huairou Commission: Women Homes & Community
New York, New York

We have audited the accompanying statements of financial position of Huairou Commission: Women Homes & Community (Huairou Commission) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Huairou Commission's management. 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 of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Huairou Commission as of December 31, 2011, and the changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in The United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 10 and statement of activities - detailed on pages 11 and 12 are 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.

A handwritten signature in blue ink that reads 'Vargas & Rivera, LLP'.

Vargas & Rivera, LLP
Certified Public Accountants
New City, New York
June 8, 2012

Huairou Commission: Women Homes Community
Statement of Financial Position
December 31, 2011

ASSETS

ASSETS

Cash (Note 2)	\$	518,208
Grant Receivable (Note 3)		99,941
Prepaid Expenses		<u>1,514</u>
TOTAL ASSETS	\$	<u><u>619,663</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses		42,842
Due to Related Parties (Note 4)		<u>13,352</u>
TOTAL LIABILITIES	\$	<u>56,194</u>

NET ASSETS

Unrestricted		413,469
Temporarily Restricted		<u>150,000</u>
TOTAL NET ASSETS	\$	<u>563,469</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>619,663</u></u>

Huairou Commission: Women Homes Community
Statement of Activities
For the Year Ended December 31, 2011

	Unrestricted	Temporarily Restricted	Total
UNRESTRICTED PUBLIC SUPPORT AND REVENUE			
Public Support:			
Corporate and Foundation Grants	\$ 1,832,284	\$ 150,000	\$ 1,982,284
Individual Contributions	25,037		25,037
Total Public Support	1,857,321	150,000	2,007,321
Other Revenues			
Interest & Dividends	1,028	-	1,028
Net Assets Released From Restrictions	46,500	(46,500)	-
Total Public Support and Other Revenue	\$ 1,904,849	\$ 103,500	\$ 2,008,349
EXPENSES			
Program Services	1,506,015	-	1,506,015
Management and General	219,618	-	219,618
Fundraising	175,695	-	175,695
Total Expenses	\$ 1,901,328	\$ -	\$ 1,901,328
Change in Unrestricted Net Assets	3,521	103,500	107,021
Net Assets, Beginning of Year	409,948	46,500	456,448
Net Assets, End of Year	\$ 413,469	\$ 150,000	\$ 563,469

Huairou Commission: Women Homes Community
Statement of Cash Flows
For the Year Ended December 31, 2011

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Change in Net Assets	\$ 107,021
Changes in Assets and Liabilities:	
(Increase)/Decrease in Grants Receivable	(99,941)
(Increase)/Decrease in Prepaid Expenses	986
Increase/(Decrease) in Accounts Payable	<u>29,287</u>
TOTAL ADJUSTMENTS	<u>(69,668)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ 37,353</u>
 <u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>	
Due to/from Related Parties	<u>12,716</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>12,716</u>
NET (DECREASE) INCREASE IN CASH	50,069
CASH - BEGINNING OF YEAR	<u>468,139</u>
CASH - END OF YEAR	<u>\$ 518,208</u>

Huairou Commission: Women Homes Community
Notes to the Financial Statements
For the year ended December 31, 2011

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Huairou Commission: Women Homes & Community (Huairou), established in 1995 at the 4th World Conference on Women in Beijing, is a global coalition of networks, non-governmental and grassroots organizations, institutions and individual professionals that links grassroots women's community development organizations to partners for access to resources, information sharing and opportunities to participate in political spaces. On November 18, 2003 Huairou was incorporated in New York State and was granted 501(c)(3) status by the Internal Revenue Service in April, 2008. Grassroots Organizations Operating Together in Sisterhood, Inc. (Groots) acted as a financial conduit for Huairou until January, 2009.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No 117, Financial Statements for Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets.

Unrestricted Net Assets, Temporarily Restricted Net assets and Permanently Restricted Net Assets

Unrestricted net assets represent those assets whose use by the Organization is not restricted by donors, even though their use may be limited on other respects, such as by contract or board designation. Current unrestricted funds and current restricted funds are reported in this classification.

Temporarily restricted net assets results from contributions and other inflows of net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations.

Permanently restricted net assets result from contributions and inflows of net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor imposed restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, 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 Statement of Activities as net assets released from restrictions.

Income Taxes

Huairou is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code.

Huairou Commission: Women Homes Community
Notes to the Financial Statements
For the year ended December 31, 2011

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

The Organization records office furniture, equipment and leasehold improvements at cost. Office furniture, equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 10 years. Leasehold improvements are amortized over the remaining life of the related lease agreements.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with a partial maturity of three months or less to be cash equivalents.

Functional Expenses

The costs of the Organization's programs and supporting services have been reported on a functional basis in the Statement of Functional Expenses. Expenses are charged to each donor project based on direct expenses incurred. A portion of all expenses are allocated to management and/or fundraising based on nature of the expense incurred.

NOTE 2 – CASH AND CASH EQUIVALENTS

At December 31, 2011, the Organization had a total of \$518,208 on deposit. Certain donor funds, per grant agreement requirements, are maintained in separate accounts.

General Operating	24,028
MDG3 Operating & Money Market	1,219
Cordaid	231,345
Womens Land Link Africa Account	150,035
NORAD	106,075
Human Impact	5,487
Petty Cash	20
	<u>\$ 518,208</u>

The Organization maintains its cash in bank deposits accounts which, at times, may exceed federally insured limits. As of December 31, 2011, the Federal Depository Insurance Corporation (FDIC) has removed insured limits from non-interest bearing checking accounts through December 31, 2012. The Organization does have a policy of distributing bank balances when insured limits are reached. The Organization has not experienced any losses in any such accounts.

Huairou Commission: Women Homes Community
Notes to the Financial Statements
For the year ended December 31, 2011

NOTE 3 – GRANTS AND INCOME

Huairou receives major funding support from multi and bi-lateral government agencies, international nongovernmental organizations and foundations (private and corporate) which stipulate the extent to which funds are to be used to insure direct support to six developing regions and to promote global networking through coordinated communication.

During 2011, Huairou's major support, consisted of the following:

Cordaid	\$ 202,033
Dutch Ministry of Foreign Affairs-MDG3 Fund	521,693
Norwegian Ministry of Foreign Affairs	52,688
United Nations Development Program	171,300
United Nations International Strategy for Disaster Relief (UN - ISDR)	52,000
Anonymous Donor	300,000
United Nations Habitat	55,000
NORAD	528,570
Various	99,000
	<u>\$ 1,982,284</u>

Unrestricted funds are received based on project cycles that may be greater than one year in duration or vary from fiscal year reporting periods. This will result in a large carry-over of assets to provide for the approved grant projects. As of December 31, 2011, the Organization was owed \$89,941 and \$10,000 from the MDG3 Fund and UN-ISDR, respectively.

NOTE 4 – DUE FROM (TO) RELATED PARTIES

Huairou shares some operating and consultant costs with Grssroots Organizations Operating Together in Sisterhood, Inc. (Groots) for efficiency. Amounts due from related parties are as follows:

Due to Groots	\$ (14,357)
Due from Secretariat Chair	1,005
	<u>\$ (13,352)</u>

NOTE 5 – FUNCTIONAL EXPENSE DESCRIPTIONS

Huairou uses expense categories that describe their programmatic areas as follows:

Field Organizing - includes Pilots, Mapping and other types of participatory and/or field organizing activities that member groups conduct. Line items in this category could include coordination, travel (local, car hire, etc.) communication (phone cards, translation), meeting venue, food/meals, accommodation, facilitation consultants, and occasionally materials.

Peer Learning - includes Academies, Exchange and Training workshops conducted at the local, national or global level by member groups. Line items could include coordination/preparation, local, national and global travel, and communications.

Huairou Commission: Women Homes Community
Notes to the Financial Statements
For the year ended December 31, 2011

NOTE 5 – FUNCTIONAL EXPENSE DESCRIPTIONS (continued)

Advocacy and Alliance Building - expenses related to participation in policy meetings and dialogues with government officials and policy makers. Expenses are primarily in travel and advocacy materials creation.

Tool and Material Creation - documentation, consulting, printing, layout and design, reproduction of material and translation.

Travel and related expenses as reported in the line item are related to Secretariat monitoring and consultancy travel expense.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 8, 2012, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Huairou Commission: Women Homes Community
Schedule of Functional Expenses
For the Year Ended December 31, 2011

	<u>Program Services</u>	<u>Management & General</u>	<u>Fund- Raising</u>	<u>TOTAL</u>
Consultant Services	474,058	76,461	61,169	611,688
Field Organizing: Pilots, Mapping, Monitoring	448,753	-	-	448,753
Advocacy and Alliance Building	186,133	-	-	186,133
Peer Learning	82,128	-	-	82,128
Travel & Related Expenses	195,638	88,927	71,141	355,706
Professional/Admin. Fees & Expenses	28,747	13,067	10,454	52,268
Documentation: Tool & Material Creation	60,723	27,602	22,081	110,406
Materials & Supplies	4,508	2,049	1,639	8,196
Communication Expenses	6,002	2,728	2,183	10,913
Occupancy & Utilities	7,425	3,375	2,700	13,500
Equipment Purchase and Maintenance	11,900	5,409	4,328	21,637
TOTAL	<u>\$ 1,506,015</u>	<u>\$ 219,618</u>	<u>\$ 175,695</u>	<u>\$ 1,901,328</u>

**HUAIROU COMMISSION: WOMEN, HOMES & COMMUNITY
STATEMENT OF ACTIVITIES - DETAILED
FOR THE YEAR ENDED DECEMBER 31, 2011**

	CORDAID				Community Resilience	Norwegian Ministry of Foreign Affairs	WOMEN LAND LINK AFRICA PROGRAM	
	Dutch Ministry of Foreign Affairs-MDG3 Fund	CORDAID VIII HIV AIDS	CORDAID VIII URBAN MATTERS	Latin America Program	UNISDR		COHRE/SIDA	ANONYMOUS DONOR 2011/2012
Revenues and Support:								
Donations and Contributions	-	-	-	-	-	-	-	-
Corporate and Foundation Grants	521,693	202,033	-	-	52,000	52,688	-	300,000
Other Income/Interest	19	102	213	1	-	-	-	164
Total Revenues and Support:	521,712	202,135	213	1	52,000	52,688	-	300,164
Expenses:								
Consultant Services	200,763	26,976	41,414	8,386	16,110	5,380	21,838	48,544
Field Organizing: Pilots, Mapping, Monitoring	103,194	2,425	23,200	5,400	-	2,222	-	6,325
Advocacy and Alliance Building	60,564	6,540	23,700	4,094	16,000	-	-	43,039
Peer Learning	52,695	4,970	-	-	-	-	8,960	15,503
Travel & Related Expenses	117,663	4,276	5,217	8,943	13,236	22,932	15,684	31,812
Professional/Admin. fees & expenses	18,197	1,653	941	912	5,621	1,126	15	4,204
Documentation: Tool & Material Creation	74,536	201	275	2,000	1,615	153	-	-
Materials & Supplies	3,701	663	3,127	-	238	305	-	-
Communication expenses	4,374	563	1,994	-	2,681	30	3	237
Occupancy & Utilities	2,700	2,000	-	-	400	-	-	-
Equipment purchase and maintenance	3,097	-	42	-	25	-	-	500
Total Expenses:	641,484	50,267	99,910	29,735	55,926	32,148	46,500	150,164
Increase (Decrease) in Net Assets	(119,772)	151,868	(99,697)	(29,734)	(3,926)	20,540	(46,500)	150,000
Net Assets at Beginning of Year	129,507	23,206	170,859	32,706	3,926	(21,590)	43,270	2,548
Transfer of remaining (balance) deficit	(9,735)	-	-	(2,972)	-	1,050	3,230	(2,548)
Net Assets at End of Year	-	175,074	71,162	-	-	-	-	150,000
UNRESTRICTED PORTION	-	175,074	71,162	-	-	-	-	-
TEMP. RESTRICTED PORTION	-	-	-	-	-	-	-	150,000

HUAIROU COMMISSION: WOMEN, HOMES & COMMUNITY
STATEMENT OF ACTIVITIES - DETAILED (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>United Nations Development</u>	<u>United Nations Habitat</u>					
	<u>United Nations Development Program</u>	<u>GLTN</u>	<u>Womens' Information Portal on Human Settlements Prjt.</u>	<u>NORAD</u>	<u>Open Society Institute</u>	<u>Special Projects/ Events & General Support</u>	<u>TOTAL</u>
Revenues and Support:							
Donations and Contributions	-	-	-	-	-	25,037	25,037
Corporate and Foundation Grants	171,300	15,000	40,000	528,570	20,000	79,000	1,982,284
Other Income/Interest	-	-	-	529	-	-	1,028
Total Revenues and Support:	171,300	15,000	40,000	529,099	20,000	104,037	2,008,349
Expenses:							
Consultant Services	12,088	-	40,212	176,443	-	13,534	611,688
Field Organizing: Pilots, Mapping, Monitoring	41,200	34,700	-	222,935	-	7,152	448,753
Advocacy and Alliance Building	3,330	-	170	21,626	2,075	4,995	186,133
Peer Learning	-	-	-	-	-	-	82,128
Travel & Related Expenses	30,223	4,227	-	64,472	17,925	19,096	355,706
Professional/Admin. fees & expenses	6,500	-	503	8,676	-	3,920	52,268
Documentation: Tool & Material Creation	3,000	3,200	-	24,201	-	1,225	110,406
Materials & Supplies	-	-	5	1	-	156	8,196
Communication expenses	-	-	363	72	-	596	10,913
Occupancy & Utilities	-	-	-	8,400	-	-	13,500
Equipment purchase and maintenance	4,000	-	11,198	2,273	-	502	21,637
Total Expenses:	100,341	42,127	52,451	529,099	20,000	51,176	1,901,328
Increase (Decrease) in Net Assets	70,959	(27,127)	(12,451)	-	-	52,861	107,021
Net Assets at Beginning of Year	-	35,939	25,732	-	-	10,345	456,448
Transfer of remaining (balance) deficit	-	-	-	-	-	10,975	-
Net Assets at End of Year	70,959	8,812	13,281	-	-	74,181	563,469
UNRESTRICTED PORTION	70,959	8,812	13,281	-	-	74,181	413,469
TEMP. RESTRICTED PORTION	-	-	-	-	-	-	150,000