

Huairou Commission: Women Homes & Community

**Financial Statements
and
Independent Auditors' Report**

For the Fiscal Year Ending December 31, 2015

Huairou Commission: Women Homes & Community

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586 Route 304, New City, NY 10956
Tel: 845-638-3113 | Fax: 845-638-4817

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Huairou Commission: Women Homes & Community (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 conducted our audit in accordance with auditing standards generally accepted in the United States. 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 Huairou Commission: Women Homes & Community as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The statement of activities - detailed on page 11 is presented for purposes of additional analysis and is not a required part of the basic 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 basic 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 basic financial statements as a whole.

A handwritten signature in blue ink that reads "Vargas & Rivera, LLP". The signature is written in a cursive, flowing style.

Vargas & Rivera, LLP
Certified Public Accountants
New City, New York
July 5, 2016

Huairou Commission: Women Homes Community
 Statements of Financial Position
 December 31, 2015
 (with comparative totals for 2014)

	2015	2014
<u>ASSETS</u>		
 <u>ASSETS</u>		
Cash (Note 2)	\$ 399,307	\$ 994,688
Grants Receivable (Note 3)	924,050	216,095
Due from Related Parties (Note 4)	4,283	722
Other Receivables	-	6,677
Prepaid Expenses	2,887	2,131
 TOTAL ASSETS	 \$ 1,330,527	 \$ 1,220,313
 <u>LIABILITIES AND NET ASSETS</u>		
 <u>LIABILITIES</u>		
Accounts Payable and Accrued Expenses	\$ 76,141	\$ 192,844
 TOTAL LIABILITIES	 76,141	 192,844
 <u>NET ASSETS</u>		
Unrestricted	(50,569)	45,703
Temporarily Restricted	1,304,955	981,766
 TOTAL NET ASSETS	 1,254,386	 1,027,469
 TOTAL LIABILITIES AND NET ASSETS	 \$ 1,330,527	 \$ 1,220,313

Huirou Commission: Women Homes Community
Statement of Activities
For the Year Ended December 31, 2015
(with comparative totals for 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	
UNRESTRICTED PUBLIC SUPPORT AND REVENUE				
Public Support:				
Governmental	\$ -	\$ 1,018,885	\$ 1,018,885	\$ 1,494,233
Corporate and Foundations	-	1,146,403	1,146,403	191,211
Donations	7,788		7,788	54,534
Total Public Support	7,788	2,165,288	2,173,076	1,739,978
Other Revenues				
Interest & Dividends	3,679	-	3,679	2,702
Miscellaneous Income	12,854	-	12,854	3,960
Total Other Revenue	16,533	-	16,533	6,662
Net Assets Released From Restrictions	1,842,099	(1,842,099)	-	-
Total Public Support and Other Revenue	1,866,420	323,189	2,189,609	1,746,640
EXPENSES				
Program Services	1,806,033	-	1,806,033	1,586,561
Management and General	128,753	-	128,753	164,548
Fundraising	27,906	-	27,906	26,378
Total Expenses	1,962,692	-	1,962,692	1,777,487
Change in Unrestricted Net Assets	(96,272)	323,189	226,917	(30,847)
Net Assets, Beginning of Year	45,703	981,766	1,027,469	1,058,316
Net Assets, End of Year	\$ (50,569)	\$ 1,304,955	\$ 1,254,386	\$ 1,027,469

Huairou Commission: Women Homes Community
Schedule of Functional Expenses
For the Year Ended December 31, 2015
(with comparative totals for 2014)

	2015			TOTAL 2014
	Program Services	Management & General	Fund- Raising	
Personnel Costs:				
Salaries and Wages	\$ 285,792	\$ 82,881	\$ 21,540	\$ 390,213
Payroll Taxes and Related Costs	31,528	9,143	2,376	46,608
	<u>317,320</u>	<u>92,024</u>	<u>23,916</u>	<u>430,520</u>
Other Than Personnel Costs:				
Consultants	183,805			183,805
Grants to Others	962,528			962,528
Travel	289,424			289,424
Printing and Reproduction	16,581	4,809	1,249	22,639
Office Expenses and Supplies	13,261	3,846	999	18,106
Professional Fees	-	21,371	-	21,371
Occupancy and Utilities	10,262	2,976	774	14,012
Telephone and Internet	8,726	2,531	657	11,914
Other Expenses	4,126	1,196	311	5,633
	<u>1,488,713</u>	<u>36,729</u>	<u>3,990</u>	<u>1,529,432</u>
TOTAL	<u>\$ 1,806,033</u>	<u>\$ 128,753</u>	<u>\$ 27,906</u>	<u>\$ 1,962,692</u>

Huairou Commission: Women Homes Community
Statement of Cash Flows
For the Year Ended December 31, 2015
(with comparative totals for 2014)

	2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Change in Net Assets	\$ 226,917	\$ (30,847)
Changes in Assets and Liabilities:		
(Increase)/Decrease in Grants Receivable	(707,955)	(174,081)
(Increase)/Decrease in Accounts Receivable - Other	6,677	312
(Increase)/Decrease in Prepaid Expenses	(756)	(2,131)
Increase/(Decrease) in Accounts Payable	(116,703)	(147,743)
TOTAL ADJUSTMENTS	(822,298)	(323,643)
NET CASH USED BY OPERATING ACTIVITIES	(595,381)	(354,490)
NET DECREASE IN CASH	(595,381)	(354,490)
CASH - BEGINNING OF YEAR	994,688	1,349,178
CASH - END OF YEAR	\$ 399,307	\$ 994,688

Huairou Commission: Women Homes Community
Notes to the Financial Statements
For the year ended December 31, 2015

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Huairou Commission: Women Homes & Community (the "Organization"), 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

The financial statements have been prepared using the accrual basis of accounting. Additionally, the financial statement presentation follows the requirements of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), which requires the Organization 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, 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.

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.

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, 2015

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

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, 2015, the Organization had a total of \$399,307 on deposit. Certain donor funds, per grant agreement requirements, are maintained in separate accounts.

General Operating	26,381
SIDA	1,255
Margaret A. Cargill Foundation	203,841
NORAD	167,830
	<u>\$ 399,307</u>

The Organization maintains its cash in bank deposits accounts which, at times, may exceed federally insured limits. 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.

NOTE 3 – GRANTS RECEIVABLE

At December 31, 2015, the Organization had grant receivables totaling \$924,050, as shown below.

Margaret A. Cargill Foundation	640,000
USAID	155,735
UN IFAD	25,000
UN Habitat - GLTN	56,000
Groots	29,315
Asia Development Bank	18,000
	<u>\$ 924,050</u>

NOTE 4 – DUE FROM (TO) RELATED PARTIES

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

Due from Groots	<u>\$ 4,283</u>
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Huairou Commission: Women Homes Community
Notes to the Financial Statements
For the year ended December 31, 2015

NOTE 5 – 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, institutional policy advocacy and coordinated communication.

Government Grants:

SIDA	\$ 5,944
NORAD	355,383
USAID	175,000
United Nations Programs	452,800
Groots International	14,958
Habitat EGM	14,800
	<u>1,018,885</u>

Corporate and Foundations:

Margaret A. Cargill Foundation	1,100,000
Womens's Refugee Comission	7,403
Human Impact	14,000
Asia Development Bank	20,000
Distracted Globe Foundation	5,000
	<u>1,146,403</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 may result in a large carry-over of assets to provide for the approved grant projects.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated all subsequent events and transactions through July 5, 2016 the date the financial statements were available to be issued. No events require recognition in the financial statements or disclosures of the Organization per the definitions and requirements of FASB ASC.

SUPPLEMENTARY INFORMATION

HUAIROU COMMISSION: WOMEN, HOMES & COMMUNITY
STATEMENT OF ACTIVITIES - DETAILED
FOR THE YEAR ENDED DECEMBER 31, 2015

	COMMUNITY RESILIENCE					OTHER INITIATIVES			SPECIAL PROJECTS AND ADMINISTRATIVE	TOTAL
	SIDA	NORAD	MARGARET A. CARGILL FOUNDATION	USAID	Asian Development Bank	UNDP: ANTI- CORRUPTION	UNOPS/GLTN	UN IFAD		
Revenues and Support:										
Governmental	\$ 5,944	\$ 355,383	\$ -	\$ 175,000	\$ -	\$ 100,000	\$ 102,800	\$ 250,000	\$ 29,758	\$ 1,018,885
Corporate and Foundations			1,100,000		20,000				26,403	1,146,403
Donations	-	-		-	-				7,788	7,788
Other Income/Interest	1,135	72	1,294	-	-		(140)	1,120	13,052	16,533
Total Revenues and Support:	7,079	355,455	1,101,294	175,000	20,000	100,000	102,660	251,120	77,001	2,189,609
Expenses:										
Salaries, Payroll Taxes and Related Costs	121,940	60,044	137,433	741	-	40,755	12,298	30,824	29,225	433,260
Consultants	48,042	11,487	38,540	4,000	5,310	14,086	18,637	22,868	20,835	183,805
Grants to Others	248,050	245,151	164,830	11,745	-	25,460	77,100	125,663	64,529	962,528
Travel	133,481	3,037	-	-	-	32,041	61,635	33,954	25,276	289,424
Printing and Reproduction	139	-	14,247	-	-	3,880			4,373	22,639
Office Expenses and Supplies	572	89	13	-	-	14	1,397	149	15,872	18,106
Professional Fees	4,514	9,910	-	-	-			374	6,573	21,371
Occupancy & Utilities	4,120	-	-	-	-	2,477	1,288	3,200	2,927	14,012
Telephone & Internet	4,236	-	-	-	-	384		836	6,458	11,914
Other Expenses	652	-	(336)	-	-	23	1,957	207	3,130	5,633
Total Expenses	565,746	329,718	354,727	16,486	5,310	119,120	174,312	218,075	179,198	1,962,692
Increase (Decrease) in Net Assets	(558,667)	25,737	746,567	158,514	14,690	(19,120)	(71,652)	33,045	(102,197)	226,917
Net Assets at Beginning of Year	568,373	150,891	134,548	-	-	15,339	112,615	-	45,703	1,027,469
Transfer of remaining (balance) deficit	(9,706)	-	-	-	-	3,781	-	-	5,925	-
Net Assets at End of Year	\$ -	\$ 176,628	\$ 881,115	\$ 158,514	\$ 14,690	\$ -	\$ 40,963	\$ 33,045	\$ (50,569)	\$ 1,254,386
UNRESTRICTED PORTION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (50,569)	\$ (50,569)
TEMP. RESTRICTED PORTION	\$ -	\$ 176,628	\$ 881,115	\$ 158,514	\$ 14,690	\$ -	\$ 40,963	\$ 33,045	\$ -	\$ 1,304,955