

**HUAIROU COMMISSION: WOMEN, HOMES, AND COMMUNITY**

**FINANCIAL STATEMENTS**

December 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Huirou Commission: Women, Homes & Community  
Brooklyn, New York

We have audited the accompanying financial statements of Huirou Commission: Women, Homes & Community, which comprise the statement of financial position as of December 31, 2017, 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 Huirou Commission: Women, Homes & Community as of December 31, 2017, 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.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
New York, New York  
June 29, 2018

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**HUAIROU COMMISSION: WOMEN, HOMES & COMMUNITY**  
STATEMENT OF FINANCIAL POSITION  
December 31, 2017

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<b>ASSETS</b>	
Cash	\$ 578,072
Accounts receivable	29,481
Prepaid expenses	<u>25,056</u>
<b>Total assets</b>	<u><u>\$ 632,609</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 53,880
Payroll liabilities	4,715
Accrued expenses	<u>8,401</u>
Total liabilities	66,996
<b>NET ASSETS</b>	
Unrestricted	(5,661)
Temporarily restricted	<u>571,274</u>
Total net assets	<u>565,613</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 632,609</u></u>

See accompanying notes.

**HUAIROU COMMISSION: WOMEN, HOMES & COMMUNITY**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE</b>			
Grant revenue	\$ 5,000	\$ 1,288,410	\$ 1,293,410
Contributions	4,229	66,476	70,705
Program revenue	100,564	-	100,564
In-kind contributions	87,240	-	87,240
Interest income	1,383	-	1,383
Exchange rate gain	-	24,871	24,871
	<u>198,416</u>	<u>1,379,757</u>	<u>1,578,173</u>
<b>EXPENSES</b>			
Program services	1,449,451	-	1,449,451
Management and general	369,353	-	369,353
Fundraising	25,865	-	25,865
	<u>1,844,669</u>	<u>-</u>	<u>1,844,669</u>
Net assets released from restrictions	<u>1,671,983</u>	<u>(1,671,983)</u>	<u>-</u>
<b>Change in net assets</b>	25,730	(292,226)	(266,496)
Net assets - beginning of year	<u>(31,391)</u>	<u>863,500</u>	<u>832,109</u>
<b>Net assets - end of year</b>	<u>\$ (5,661)</u>	<u>\$ 571,274</u>	<u>\$ 565,613</u>

See accompanying notes.

**HUAIROU COMMISSION: WOMEN, HOMES & COMMUNITY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2017

	Program Services	Management and General	Fundraising	Total
Payroll expenses	\$ 265,495	\$ 140,091	\$ 18,687	\$ 424,273
Employee benefits	34,172	16,751	2,552	53,475
Occupancy	32,669	8,481	733	41,883
Consultants	177,412	90,487	2,581	270,480
Professional fees	-	104,923	-	104,923
Grants to others	766,289	-	-	766,289
Office expense and supplies	14,482	7,101	1,081	22,664
Travel and meetings	155,832	-	-	155,832
Other	3,100	1,519	231	4,850
Total expenses	<u>\$ 1,449,451</u>	<u>\$ 369,353</u>	<u>\$ 25,865</u>	<u>\$ 1,844,669</u>

See accompanying notes.

**HUAIROU COMMISSION: WOMEN, HOMES & COMMUNITY**  
**STATEMENT OF CASH FLOWS**  
Year ended December 31, 2017

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (266,496)
Adjustments to reconcile change in net assets to net cash flows from operating activities	
(Increase) decrease in assets	
Accounts receivable	(15,406)
Prepaid expenses	(23,410)
Promises to give	180,000
Grants receivable	20,773
Increase (decrease) in liabilities	
Accounts payable	30,492
Payroll liabilities	4,715
Accrued expenses	(10,349)
Deferred revenue	(5,000)
<b>Net change in cash</b>	<b>(84,681)</b>
Cash - beginning of year	<u>662,753</u>
<b>Cash - end of year</b>	<b><u><u>\$ 578,072</u></u></b>

See accompanying notes.

**HUIROU COMMISSION: WOMEN, HOMES & COMMUNITY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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Huirou Commission: Women, Homes & Community ("The Commission"), established in 1995 at the 4th World Conference on Women in Beijing, is a global coalition of networks, nongovernmental 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. The Commission was incorporated in New York State on November 18, 2003.

**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Commission reports information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net assets*—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

*Temporarily restricted net assets*—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

*Permanently restricted net assets*—Net assets that have been restricted by donors to be maintained by the Commission in perpetuity.

**Promises to Give**

Conditional promises to give are not recognized in the financial statements until conditions are substantially met. 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 more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due dates.

**Accounts Receivable**

The Commission considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been developed. If accounts become uncollectible, they will be charged to operations when that determination is made.

**Contributions**

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**HUIROU COMMISSION: WOMEN, HOMES & COMMUNITY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Donated Services**

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Income Tax Status**

The Commission is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

**Date of Management's Review**

Management has evaluated subsequent events through June 29, 2018, the date which the financial statements were available to be issued.

NOTE 2—CONDITIONAL PROMISES TO GIVE

The Commission has been notified of certain promises to give, however these amounts have not been recorded in the accompanying financial statements due to their conditional nature. Receipt of the funding is conditioned upon completion of satisfactory progress on projects. Conditional promises to give at December 31, 2017 totaled \$2,522,775.

NOTE 3—TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2017 are available for the following purposes:

Grassroots Women-Led Resilient Community Development	\$ 309,436
Grassroots Social Capital to Build Community Resilience	189,473
Gender Responsive Alternatives to Climate Change	62,782
Global Land Tool Network	<u>9,583</u>
Temporarily restricted net assets	<u>\$ 571,274</u>

**HUAIROU COMMISSION: WOMEN, HOMES & COMMUNITY**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

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NOTE 4—OPERATING LEASE

The Commission occupies offices at 249 Manhattan Avenue, Brooklyn, New York under a noncancellable operating lease which expired on December 31, 2017 and continued on a month to month basis. Rent expense for 2017 was \$26,328.

NOTE 5—IN-KIND CONTRIBUTIONS

The Commission received donated legal services valued at \$87,240 during 2017. All donated legal services were classified as professional fees and management and general expenses in the statement of functional expenses.

NOTE 6—CONCENTRATIONS

**Concentrations of Credit Risk**

The Commission maintains cash balances at one financial institution. Accounts at these banks are insured by the Federal Deposit Insurance Corporations (FDIC) up to \$250,000. Balances in excess of FDIC limits uninsured at December 31, 2017 are \$343,338.

**Concentrations of Funding Sources**

The Commission received a majority of its funding from one grant contract during 2017.

NOTE 7—CONTINGENCIES

Contributions from certain grants are subject to audits by funders, which may result in adjustments for disallowed costs. No determination has been made regarding the effect, if any, such audits could have on the financial statements.