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

Financial Statements

For the year ended December 31, 2016
(with comparative totals for 2015)

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY

Financial Statements

December 31, 2016

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Independent Auditor's Report

To the Board of Directors of
Huairou Commission: Women, Homes and Community

Report on the financial statements

We have audited the accompanying financial statements of Huairou Commission: Women, Homes and Community, which comprise the statements of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 Huairou Commission: Women, Homes and Community, as of December 31, 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of program activities on pages 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary 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 supplementary 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on summarized comparative information

The financial statements of Huairou Commission: Women, Homes and Community as of December 31, 2015, were audited by other auditors whose report dated July 5, 2016, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information is fairly stated in all material respects in relation to the financial statements as a whole.

NChang LLP

New York, New York
September 28, 2017

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY**Statements of Financial Position**

As of December 31, 2016

(with comparative totals for 2015)

	<u>2016</u>	<u>2015</u>
<u>Assets</u>		
Cash	\$ 662,753	\$ 399,307
Grants receivable	10,123	236,735
Contributions receivable	190,650	687,315
Other receivables	14,075	4,283
Prepaid expenses	<u>1,646</u>	<u>2,887</u>
Total assets	<u>\$ 879,247</u>	<u>\$ 1,330,527</u>
<u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts and accrued expenses payable	<u>\$ 47,138</u>	<u>\$ 76,141</u>
<u>Net assets</u>		
Unrestricted	(31,391)	(50,569)
Temporarily restricted – Note 4	<u>863,500</u>	<u>1,304,955</u>
Total net assets	<u>832,109</u>	<u>1,254,386</u>
Total liabilities and net assets	<u>\$ 879,247</u>	<u>\$ 1,330,527</u>

See notes to financial statements.

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY**Statement of Activities**

For the year ended December 31, 2016

(with comparative totals for 2015)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>2016</u>	<u>2015</u>
<u>Revenue and support</u>				
Government grants		\$ 1,319,471	\$ 1,319,471	\$ 1,018,885
Contributions	\$ 37,364		37,364	1,154,191
In-kind contributions – Note 5	26,447		26,447	
Interest	1,921		1,921	3,679
Other income	52,970		52,970	12,854
Sub-total	118,702	1,319,471	1,438,173	2,189,609
Net assets released from restrictions	<u>1,760,926</u>	<u>(1,760,926)</u>		
Total revenue and support	<u>1,879,628</u>	<u>(441,455)</u>	<u>1,438,173</u>	<u>2,189,609</u>
<u>Expenses</u>				
Program services				
	<u>1,686,491</u>		<u>1,686,491</u>	<u>1,806,033</u>
Supporting services				
Management and general	153,752		153,752	128,753
Fund raising	<u>20,207</u>		<u>20,207</u>	<u>27,906</u>
Total supporting services	<u>173,959</u>		<u>173,959</u>	<u>156,659</u>
Total expenses	<u>1,860,450</u>		<u>1,860,450</u>	<u>1,962,692</u>
Change in net assets	19,178	(441,455)	(422,277)	226,917
Net assets, beginning of year	<u>(50,569)</u>	<u>1,304,955</u>	<u>1,254,386</u>	<u>1,027,469</u>
Net assets, end of year	<u>(\$ 31,391)</u>	<u>\$ 863,500</u>	<u>\$ 832,109</u>	<u>\$ 1,254,386</u>

See notes to financial statements.

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY**Statement of Functional Expenses**

For the year ended December 31, 2016

(with comparative totals for 2015)

	<u>Program services</u>	<u>Supporting services</u>		<u>Total program and supporting services</u>	
		<u>Management and general</u>	<u>Fund- raising</u>	<u>2016</u>	<u>2015</u>
Salaries	\$ 318,703	\$ 91,267	\$ 15,375	\$ 425,345	\$ 390,213
Fringe benefits	<u>58,350</u>	<u>16,337</u>	<u>3,112</u>	<u>77,799</u>	<u>43,047</u>
Total salaries and fringe benefits	377,053	107,604	18,487	503,144	433,260
Professional and consulting fees	171,095	37,891		208,986	205,176
Contributions	844,522			844,522	962,528
Travel (In-kind \$26,447) – Note 5	226,856			226,856	289,424
Printing and reproduction	4,173			4,173	22,639
Office expense and supplies	23,754	2,564	675	26,993	18,106
Occupancy and utilities	24,510	2,646	696	27,852	14,012
Telephone and internet	12,277	1,325	349	13,951	11,914
Other	<u>2,251</u>	<u>1,722</u>		<u>3,973</u>	<u>5,633</u>
	<u>\$ 1,686,491</u>	<u>\$ 153,752</u>	<u>\$ 20,207</u>	<u>\$ 1,860,450</u>	<u>\$ 1,962,692</u>

See notes to financial statements.

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY**Statements of Cash Flows**

For the years ended December 31, 2016

(with comparative totals for 2015)

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	(\$ 422,277)	\$ 226,917
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Change in grants receivable	226,612	(20,640)
Change in contributions receivable	496,665	(687,315)
Change in other receivables	(10,512)	3,116
Change in prepaid expenses	1,241	(756)
Change in accounts and accrued expenses payable	(28,283)	(116,703)
Net cash provided by/(used in) operating activities	<u>263,446</u>	(595,381)
Net increase/(decrease) in cash	263,446	(595,381)
Cash, beginning of year	<u>399,307</u>	<u>994,688</u>
Cash, end of year	<u>\$ 662,753</u>	<u>\$ 399,307</u>

See notes to financial statements.

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY
Notes to Financial Statements
December 31, 2016

Note 1 Organization

The Huairou Commission: Women, Homes and 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. Huairou was incorporated in New York State on November 18, 2003 and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Grassroots Organizations Operating Together in Sisterhood, Inc. (GROOTS) provided fiscal sponsorship to Huairou which ended on December 31, 2008.

Note 2 Summary of significant accounting policies

Basis of presentation. The financial statements of Huairou have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Reclassification. Certain prior year balances have been reclassified to be consistent with the current year financial statements presentation. The reclassifications have no effect in the net assets or the operation results of the prior year.

Financial statement presentation. The financial statement presentation follows the accounting standards for not-for-profit organizations. Under these standards, an organization is required to report information regarding its financial position and activities according to three classes of net assets depending on the existence and/or nature of any donor restrictions as follows: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets consist of unrestricted contributions and other resources not subject to donor-imposed restrictions.

Temporarily restricted net assets consist of contributions and other inflow of assets whose use by the recipient is limited by donor-imposed stipulation. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets consist of net assets that are limited by donors for investment in perpetuity.

Fixed assets. Furniture and equipment and leasehold improvements are stated at cost, less accumulated depreciation or amortization computed on the straight-line method. Furniture and equipment is depreciated over their estimated useful lives of 5 to 10 years. Leasehold improvements are amortized over the shorter of their useful lives or the remainder of the lease period.

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY
Notes to Financial Statements
December 31, 2016

Note 2 Summary of significant accounting policies – (continued)

Revenue recognition. Contributions are recorded as unrestricted, temporarily restricted or permanently restricted when received depending on the existence and/or nature of any donor restrictions. Donated investments are recorded as contributions at their estimated fair value on the date of donation. Unconditional donor promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional donor promises to give that are expected to be collected in future years are recorded at 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 discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Revenue from cost reimbursement governmental grants is recognized as the expenditures for each grant are incurred. Revenue from fee for service programs is recognized when earned.

Allowance for doubtful accounts. Management has determined that no allowance for uncollectible accounts for accounts receivable is necessary as of December 31, 2016 and 2015. Such determination is based on management's assessments of the creditworthiness of its donors, the age of its receivables, as well as current economic conditions and historical information.

Use of 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.

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

Concentrations of credit risk. Financial instruments, which potentially subject Huairou to concentrations of credit risk include cash, investments, and accounts receivable. Huairou maintains cash in bank deposits which, at times, may exceed the current insured amount under the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2016 and 2015, Huairou's cash balance exceeded the current insured amount under FDIC by approximately \$187,743, and \$4,426, respectively. Huairou has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

Income taxes. Huairou is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Huairou has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdictions where it operates. Huairou does not anticipate any significant uncertain tax positions that would require recognition in the financial statements. Periods ending December 31, 2013 and subsequent remain subject to examination by the taxing authorities.

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY

Notes to Financial Statements

December 31, 2016

Note 3 Commitments

Huairou occupies offices at 249 Manhattan Avenue, Brooklyn, New York under a non-cancellable operating lease which expired on April 30, 2017. Rent expense for the years ended December 31, 2016 and 2015 was \$18,000 and \$14,000, respectively.

The minimum future rental commitments are as follows:

Year ending December 31, 2017	<u>\$ 8,776</u>
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Note 4 Temporarily restricted net assets

The changes in temporarily restricted net assets as of December 31, 2016 were as follows:

	<u>Balances 01/01/16</u>	<u>Additions</u>	<u>Releases</u>	<u>Balances 12/31/16</u>
Government grants	\$ 409,150	\$ 1,319,471	\$ 1,350,436	\$ 378,185
Contributions	<u>895,805</u>	<u> </u>	<u>410,490</u>	<u>485,315</u>
	<u>\$ 1,304,955</u>	<u>\$ 1,319,471</u>	<u>\$ 1,760,926</u>	<u>\$ 863,500</u>

The changes in temporarily restricted net assets as of December 31, 2015 were as follows:

	<u>Balances 01/01/15</u>	<u>Additions</u>	<u>Releases</u>	<u>Balances 12/31/15</u>
Government grants	\$ 847,218	\$ 1,018,885	\$ 1,456,953	\$ 409,150
Contributions	<u>180,251</u>	<u>1,146,403</u>	<u>430,849</u>	<u>895,805</u>
	<u>\$ 1,027,469</u>	<u>\$ 2,165,288</u>	<u>\$ 1,887,802</u>	<u>\$ 1,304,955</u>

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY
Notes to Financial Statements
December 31, 2016

Note 5 In-kind contributions

In-kind contributions represent services provided to the programs of Huairou during 2016. Travel and lodging services provided are recorded at fair value, which is the amount that would have been charged to Huairou to purchase the service. In-kind contributions consisted of travel and lodging for a total \$26,447.

Note 6 Subsequent events

Huairou has evaluated events and transactions for potential recognition or disclosure through September 28, 2017 which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures.

HUAIROU COMMISSION: WOMEN, HOMES AND COMMUNITY
Schedule of Program Activities
December 31, 2016

	SIDA	Margaret A. Cargill Foundation	NORAD	US AID	ASIA Development Bank	UNOPS/ GLTN	UN IFAD	Special Projects	Administrative	2016
<u>Revenues and support</u>										
Government grants	\$ 1,240,871					\$ 75,000		\$ 3,600		\$ 1,319,471
Contributions								35,411	\$ 1,953	37,364
In-kind contributions – Note 5									26,447	26,447
Interest	923	\$ 675	\$ 20				\$ 20		283	1,921
Other income									52,970	52,970
Total revenue and support	1,241,794	675	20			75,000	20	39,011	81,653	\$ 1,438,173
<u>Expenses</u>										
Salaries and fringe benefits	382,540	66,618	24,509	\$ 2,859		7,689	11,618	4,355	2,956	503,144
Professional fees and consultants	120,154	21,163	16,688	24,621	\$ 7,590		5,613	13,160		208,989
Contributions	225,889	276,415	124,865	115,719	8,036	47,515	8,900	37,028	155	844,522
Travel (In-kind \$26,447) – Note 5	122,594	1,950	10,586	11,795	1,539	19,720	4,444	24,816	29,412	226,856
Printing and reproduction	3,207			760			123		82	4,172
Office expense and supplies	18,113	2,039		1,200			437	700	4,504	26,993
Occupancy and utilities	18,102			1,560					8,190	27,852
Telephone and internet	11,552	785				2	1,612			13,951
Other expenses	2,421	20				74	318	532	606	3,971
Total expenses	904,572	368,990	176,648	158,514	17,165	75,000	33,065	80,591	45,905	1,860,450
Project excess/(deficit)	337,222	(368,315)	(176,628)	(158,514)	(17,165)		(33,045)	(41,580)	35,748	(422,277)
Balance, beginning of year		881,115	176,628	158,514	14,690	40,963	33,045		(50,569)	1,254,386
Balance, end of year	337,222	512,800	-	-	(2,475)	40,963	-	(41,580)	(14,821)	\$ 832,109
Funds from unrestricted portion								(16,570)	(14,821)	(\$ 31,391)
Funds from temporarily restricted portion	\$ 337,222	\$ 512,800	\$ -	\$ -	(\$ 2,475)	\$ 40,963	\$ -	(\$ 25,010)	\$ -	\$ 863,500