

**WOMEN'S ENVIRONMENT AND
DEVELOPMENT ORGANIZATION (WEDO)**

**INDEPENDENT AUDITORS' REPORT
ON
FINANCIAL STATEMENTS**

AS OF DECEMBER 31, 2014

AND

FOR THE YEAR THEN ENDED

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)

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MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Women's Environment and Development Organization (WEDO)
New York, New York

We have audited the accompanying financial statements of Women's Environment and Development Organization (WEDO), which comprise the statement of financial position as of December 31, 2014, 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 the 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 the 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 of 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 Women's Environment and Development Organization (WEDO) as of December 31, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Women's Environment and Development Organization's 2013 financial statements, and our report dated June 23, 2014, 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, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "Winnie Lam & Co., P.C." The signature is written in black ink and is positioned to the right of the date and location text.

New York, New York
August 27, 2015

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

ASSETS

	<u>2014</u>	<u>2013</u>
Current Assets		
Cash	\$ 509,729	\$ 50,435
Investments - Notes 3 and 4	6,438	7,482
Accounts receivable	26,137	1,289
Service fees receivable	-	21,726
Grants and contributions receivable - Note 3	50,000	9,041
Prepaid expenses	<u>5,244</u>	<u>1,217</u>
Total Current Assets	597,548	91,190
Fixed Assets		
Fixed assets - at cost - net of accumulated depreciation of \$1,767 in 2014 and \$589 in 2013 - Notes 3 and 5	<u>1,765</u>	<u>2,943</u>
Total Assets	<u>\$ 599,313</u>	<u>\$ 94,133</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities		
Accounts and accrued expenses payable	\$ 40,853	\$ 49,803
Deferred rent revenue	-	3,738
Tenants' security deposits payable	<u>11,069</u>	<u>3,649</u>
Total Liabilities	<u>51,922</u>	<u>57,190</u>

NET ASSETS

Commitments - Note 8

Net Assets		
Unrestricted	21,759	20,485
Temporarily restricted - Note 6	<u>525,632</u>	<u>16,458</u>
Total Net Assets	<u>547,391</u>	<u>36,943</u>
Total Liabilities and Net Assets	<u>\$ 599,313</u>	<u>\$ 94,133</u>

See accompanying notes to financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds</u>	
			<u>2014</u>	<u>2013</u>
<u>Public Support and Revenue</u>				
Grants and contributions from:				
Foundations	\$ 2,000	\$ 707,789	\$ 709,789	\$ 30,724
U.N. and governmental institutions		694,592	694,592	605,194
Individuals	1,946		1,946	8,842
Service fees	9,027		9,027	63,589
In-kind contributions - Note 3	48,600		48,600	83,700
Sublease income, net of direct rental expenses of \$156,870 and \$124,636 in 2014 and 2013, respectively	27,332		27,332	51,923
Investment income	40		40	40
Unrealized loss on investments	(1,044)		(1,044)	(129)
Other income	<u>1,184</u>		<u>1,184</u>	<u>2,369</u>
Total Support and Revenue	89,085	1,402,381	1,491,466	846,252
Net assets released from restrictions - Note 6	<u>893,207</u>	<u>(893,207)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>982,292</u>	<u>509,174</u>	<u>1,491,466</u>	<u>846,252</u>
<u>Expenses</u>				
Program Services	<u>838,102</u>		<u>838,102</u>	<u>843,821</u>
Supporting Services				
Administrative and general	122,849		122,849	171,902
Fund raising	<u>20,067</u>		<u>20,067</u>	<u>12,518</u>
Total Supporting Services	<u>142,916</u>		<u>142,916</u>	<u>184,420</u>
Total Expenses	<u>981,018</u>		<u>981,018</u>	<u>1,028,241</u>
Change in Net Assets	1,274	509,174	510,448	(181,989)
Net Assets at beginning of year	<u>20,485</u>	<u>16,458</u>	<u>36,943</u>	<u>218,932</u>
Net Assets at end of year	<u>\$ 21,759</u>	<u>\$ 525,632</u>	<u>\$ 547,391</u>	<u>\$ 36,943</u>

See accompanying notes to financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Supporting Services		Total	
		Administrative and General	Fund Raising	Program and Supporting Services 2014	2013
Salaries	\$ 130,344	\$ 37,925	\$ 8,190	\$ 176,459	\$ 243,482
Payroll taxes and employee benefits	39,405	11,465	2,477	53,347	57,655
Total Payroll and related expenses	169,749	49,390	10,667	229,806	301,137
Professional and consulting fees (including donated services of \$48,600 and \$83,700 in 2014 and 2013, respectively)	222,586	13,200	2,318	238,104	346,008
Audit and legal fees	671	15,095		15,766	14,457
Occupancy	49,492	31,087	58	80,637	96,581
Telephone and telecommunications	22,053	1,622	1,626	25,301	8,654
Equipment rental, repairs and maintenance	4,135	2,228	1,292	7,655	7,188
Supplies	7,782	118	27	7,927	7,627
Printing	14,487			14,487	13,950
Postage and shipping	1,921	76	76	2,073	773
Fees, dues and subscriptions	240	55	55	350	2,017
Travel and meetings	342,508	2,890	2,891	348,289	217,272
Insurance	2,008	3,152	350	5,510	5,951
Collection loss				-	2,627
Bank and other charges	213	713	195	1,121	2,041
Miscellaneous	257	2,045	512	2,814	1,369
Total Expenses before Depreciation	838,102	121,671	20,067	979,840	1,027,652
Depreciation		1,178		1,178	589
Total Expenses 2014	\$ 838,102	\$ 122,849	\$ 20,067	\$ 981,018	
Total Expenses 2013	\$ 843,821	\$ 171,902	\$ 12,518		\$ 1,028,241

See accompanying notes to financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2013)

	2014	2013
<u>Cash Flows from Operating Activities</u>		
Change in Net Assets	\$ 510,448	(\$ 181,989)
Adjustments to reconcile change in Net Assets to net cash provided by/(used in) operating activities:		
Depreciation	1,178	589
Unrealized loss on investments	1,044	129
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable	(24,848)	7,369
Decrease/(increase) in service fees receivable	21,726	(21,726)
(Increase)/decrease in grants and contributions receivable	(40,959)	54,884
(Increase)/decrease in prepaid expenses	(4,027)	2,147
Decrease in accounts and accrued expenses payable	(8,950)	(52,006)
(Decrease)/increase in deferred rent revenue	(3,738)	3,738
Increase in tenants' security deposits payable	7,420	489
Net Cash Provided by/(Used in) Operating Activities	459,294	(186,376)
<u>Cash Flows from Investing Activities</u>		
Acquisition of fixed assets	-	(3,532)
Net Increase/(Decrease) in Cash	459,294	(189,908)
Cash balance at beginning of year	50,435	240,343
Cash balance at end of year	\$ 509,729	\$ 50,435

See accompanying notes to financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 1 ORGANIZATION

Women USA, Inc. was established by feminist leaders, including U.S. Congresswoman Bella Abzug, journalist / activist Mim Kelber, Nobel Laureate Wangari Maathai and Gloria Steinem, in the District of Columbia on July 24, 1979 as a not-for-profit organization to promote the advancement of women in public life and decision-making. The Women's Environment and Development Organization ("WEDO") emerged as a special program in 1991 to promote women's involvement and a gender equality perspective in the 1992 United Nations Conference on the Environment and Development ("UNCED"), more commonly known as the Earth Summit. On January 27, 1995, Women USA, Inc. officially changed its name to the Women's Environment and Development Organization ("WEDO").

WEDO is exempt from Federal income taxes on related income under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State Code.

NOTE 2 MISSION, PROGRAM AREAS AND STRATEGIC APPROACH (UNAUDITED)

Vision and Mission

As a global women's advocacy organization, WEDO envisions a just world that promotes and protects human rights, gender equality and the integrity of the environment. To contribute toward its vision for the world, WEDO's mission is to ensure that women's rights; social, economic and environmental justice; and sustainable development principles - as well as the linkages between them - are at the heart of global and national policies, programs and practices.

WEDO is dedicated to supporting women's leadership, good global governance, and engendering environment and development policies and programs, and WEDO views strong and diverse partnerships as integral to meeting its goals. It allies with women's organizations; environmental, development and human rights organizations; governments; and inter-governmental organizations, including the United Nations, to achieve its mission. WEDO's core competency has been high-level advocacy in international arenas, while building bridges among a range of stakeholders, recognizing that women's empowerment and gender equality are key levers of change and that women's organizing itself is a powerful driver of transformation.

(Continue)

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 MISSION, PROGRAM AREAS AND STRATEGIC APPROACH (UNAUDITED) -
(Continued)

Program Areas & Strategic Approach

WEDO's 2011-2015 Strategic Plan organizes WEDO's objectives and activities around three interlinked goals:

- 1) Women's Leadership: Women are empowered as decision-makers and leaders, especially in sustainable development and environmental areas.
- 2) Sustainable Development: Sustainable development policies, plans and practices are gender responsive.
- 3) Global Governance: Global governance is transparent, accountable and effective.

Strategies include:

- To strive for a better world through *coordinated political action* to improve women's lives.
- To advance women's rights *by building broad alliances* with women's groups and other human rights and social justice allies.
- To *conduct and apply research* to create global policies that support women's rights.
- To *connect global policy work with local and regional advocacy efforts* carried out by partners in the Global South.

WEDO works on a range of cross-cutting issues--from climate change and natural resource management to global governance and finance and UN reform. In 2014, major programming included:

- Climate change advocacy and the Women Delegates Fund ("WDF"), two projects implemented under the Global Gender and Climate Alliance ("GGCA") umbrella;
- Fostering and facilitating women's leadership in climate change and sustainable development spheres, especially with in the WDF and with partners of the Women's Major Group for sustainable development;
- Advocacy and technical support for a transformative post-2015 sustainable development agenda involving partners from multiple networks and global processes.

(Continue)

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 2 MISSION, PROGRAM AREAS AND STRATEGIC APPROACH (UNAUDITED) -
(Continued)

WEDO balances a strong portfolio of global advocacy (e.g. Commission on the Status of Women, follow-up to Rio+20, Post-2015 development agenda and sustainable development goals, disaster risk reduction, and the United Nations Framework Convention on Climate Change) with attention to and alliance with national and regional stakeholders to “turn words into action” with toolkits and practical guidance - ensuring gender equality and sustainable development policies improves lives in reality.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) The accompanying financial statements have been prepared on the accrual basis of accounting.
- b) Major acquisition of property and equipment are capitalized and depreciation and amortization are provided for on a straight-line basis over the estimated useful lives of the assets.
- c) Cash consists of cash held in checking and money market accounts and cash on hand. At year end and throughout the year, WEDO's cash balances were deposited in a high quality financial institution that is protected by the Federal Deposit Insurance Corporation (“FDIC”).
- d) Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. The basis of determining the fair value of investments is the readily determinable sales price of the investments based on prices or quotations from over-the-counter markets.

Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities. Realized and unrealized gains and losses allocated to the unrestricted, temporarily and permanently restricted net assets are recognized as incurred. They are recorded in the Statement of Activities as income or loss in accordance with donors restrictions.

(Continue)

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

- e) 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 fair value, which is measured as 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. Conditional promises to give are not included as support until the conditions are substantially met.

All contributions are considered to be available for unrestricted use unless specifically restricted by donor. Contributions received and unconditional promises to give are measured at their fair value and are reported as an increase in net assets. WEDO reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

All unconditional promises to give are due in less than one year.

- f) The classification of an organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets, permanently restricted, temporarily restricted and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities. The classes of net assets are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by WEDO is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of WEDO.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by WEDO is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of WEDO pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

(Continue)

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

- g) Program fees are recognized as income when earned.
- h) Donated goods and services that are susceptible to objective measurement or valuation are recorded as support and expenses at fair value.
- i) The preparation of 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- j) These financial statements include certain prior year summarized information presented for comparative purposes which is not intended to be a complete financial statement presentation. Accordingly, such information should be read in conjunction with WEDO's financial statements for the year ended December 31, 2013 from which the summarized information was derived.
- k) WEDO adopted *Financial Accounting Standards Board* ("FASB") guidance on uncertain income tax positions in its financial statements. WEDO recognizes the effect of tax positions only when they are more than likely than not of being sustained. 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. WEDO is no longer subject to federal or state and local income tax examinations by tax authorities for the year ended December 31, 2011 and prior years.

NOTE 4 INVESTMENTS

Investments as of December 31, 2014 consist of equity securities. The investment returns which are all unrestricted consist of the following:

Interest and dividend income	\$	40
Net unrealized loss on investments	(1,044)
Total	(\$	<u>1,004)</u>

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 5 FIXED ASSETS

As of December 31, 2014, the costs and accumulated depreciation were as follows:

Computer equipment	\$	2,537
Software		<u>995</u>
		3,532
Less: accumulated depreciation		<u>1,767</u>
Net		<u>\$ 1,765</u>

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS / RELEASE FROM RESTRICTIONS

Temporarily restricted net assets as of December 31, 2014 and release from restrictions for the year are designated for sustainable development.

NOTE 7 PENSION PLAN

WEDO maintains a qualified deferred annuity retirement plan (the "Plan") under Section 403 (b) of the Internal Revenue Code, for all full-time employees. Under the Plan, employee may voluntarily contribute a percentage of their pretax compensation, and are eligible to participate upon their date of hire. WEDO may match employee contributions to a maximum set annually, for full time employees who have completed one year of service. In 2014, WEDO elected to match employee contributions to a maximum of 3% of each covered employee's salary. Pension expense for the year 2014 was \$3,219.

NOTE 8 COMMITMENTS

a) Lease agreement

WEDO leases its office space under an operating lease expiring on June 30, 2016. The future minimum lease payments, exclusive of certain escalation costs, are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2015	\$ 180,000
2016	<u>90,000</u>
Total	<u>\$ 270,000</u>

(Continue)

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 8 COMMITMENTS - (Continued)

b) Sublease agreements

WEDO sublets subdivided space under various operating leases expiring on December 31, 2015. Minimum future rentals to be received on the subleases is \$191,205.

NOTE 9 FAIR VALUE OF MEASUREMENTS

WEDO follows FASB guidance on *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. As defined in FASB *Accounting Standards Codification* ("ASC") 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

WEDO utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. WEDO's assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels.

FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

The three levels of fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets and liabilities in inactive markets.
- Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

(Continue)

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

NOTE 9 FAIR VALUE MEASUREMENTS - (Continued)

The following methods and assumptions were used by WEDO in estimating its fair value disclosures for financial instruments:

- Cash and short-term unconditional promises to give: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
- Investments: The fair values of investments are based on quoted market prices for those or similar investments.

The estimated fair values of WEDO's financial instruments are as follows:

	Carrying Amount	Fair Value
Financial Assets:		
Cash	\$ 509,729	\$ 509,729
Investments	6,438	6,438
Unconditional promises to give	50,000	50,000

Fair Value Measurements at Reporting Date Using

	Fair Value	Quoted Prices In Active Markets for Identical Assets (Level 1)
Equity securities	\$ 6,438	\$ 6,438

NOTE 10 FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing WEDO's services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 11 SUBSEQUENT EVENTS

WEDO evaluated subsequent events through August 27, 2015, which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.