

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

**INDEPENDENT AUDITORS' REPORT  
ON  
FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2017**

**AND**

**FOR THE YEAR THEN ENDED**

**(WITH COMPARATIVE TOTALS FOR 2016)**

*Winnie Tam & Co., P.C.*

**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, 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 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, 2017 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 10, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Winnie Lam & Co, P.C." The signature is written in a cursive, flowing style.

New York, New York  
August 31, 2018

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	<u>2017</u>	<u>2016</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash	\$ 380,316	\$ 372,614
Investments - Notes 3 and 4	6,163	6,644
Accounts receivable	3,294	8,544
Grants and contributions receivable - Note 3	20,077	27,966
Prepaid expenses	<u>7,473</u>	<u>8,532</u>
<b>Total Current Assets</b>	417,323	424,300
<b>Non-Current Asset</b>		
Security deposit	<u>3,700</u>	<u>3,700</u>
<b>Total Assets</b>	<u>\$ 421,023</u>	<u>\$ 428,000</u>

**LIABILITY AND NET ASSETS**

<b><u>LIABILITY</u></b>		
<b>Current Liability</b>		
Accounts and accrued expenses payable	\$ <u>37,813</u>	\$ <u>35,497</u>
<b>Total Liability</b>	<u>37,813</u>	<u>35,497</u>
Commitment - Note 7		
<b><u>NET ASSETS</u></b>		
<b>Net Assets</b>		
Unrestricted	24,151	( 18,197)
Temporarily restricted - Note 5	<u>359,059</u>	<u>410,700</u>
<b>Total Net Assets</b>	<u>383,210</u>	<u>392,503</u>
<b>Total Liability and Net Assets</b>	<u>\$ 421,023</u>	<u>\$ 428,000</u>

See accompanying notes to financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	Unrestricted	Temporarily Restricted	<u>Total All Funds</u>	
			<u>2017</u>	<u>2016</u>
<b><u>Public Support and Revenue</u></b>				
Grants and contributions from:				
Foundations	\$ 2,439	\$ 309,187	\$ 311,626	\$ 502,415
U.N. and governmental institutions		735,987	735,987	618,190
Individuals	5,298		5,298	12,091
Corporations	3,050		3,050	-
Service fees	18,172		18,172	6,750
In-kind contributions - Note 3	17,981		17,981	28,850
Sublease income, net of direct rental expenses of \$26,220 in 2016			-	25,626
Investment income	33		33	38
Net unrealized (loss)/gain on investments	( 481)		( 481)	1,111
Foreign exchange gains/(loss)	80		80	( 1,168)
Other income	<u>2,690</u>		<u>2,690</u>	<u>-</u>
<b>Total Support and Revenue</b>	49,262	1,045,174	1,094,436	1,193,903
Net assets released from restrictions - Note 5	<u>1,096,815</u>	<u>( 1,096,815)</u>	<u>-</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>1,146,077</u>	<u>( 51,641)</u>	<u>1,094,436</u>	<u>1,193,903</u>
<b><u>Expenses</u></b>				
<b>Program Services</b>	<u>1,061,012</u>		<u>1,061,012</u>	<u>1,211,233</u>
<b>Supporting Services</b>				
Administrative and general	39,929		39,929	57,476
Fund raising	<u>2,788</u>		<u>2,788</u>	<u>3,849</u>
<b>Total Supporting Services</b>	<u>42,717</u>		<u>42,717</u>	<u>61,325</u>
<b>Total Expenses</b>	<u>1,103,729</u>		<u>1,103,729</u>	<u>1,272,558</u>
Change in Net Assets	42,348	( 51,641)	( 9,293)	( 78,655)
Net Assets at beginning of year	<u>( 18,197)</u>	<u>410,700</u>	<u>392,503</u>	<u>471,158</u>
Net Assets at end of year	<u>\$ 24,151</u>	<u>\$ 359,059</u>	<u>\$ 383,210</u>	<u>\$ 392,503</u>

See accompanying notes to financial statements.

**WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	Program Services	Supporting Services		Total	
		Administrative and General	Fund Raising	Program and Supporting Services 2017	2016
Salaries	\$ 171,138	\$ 12,199	\$ 1,356	\$ 184,693	\$ 226,822
Payroll taxes and employee benefits	50,382	2,849	321	53,552	46,205
<b>Total Payroll and related expenses</b>	221,520	15,048	1,677	238,245	273,027
Professional and consulting fees (including donated services of \$9,910 and \$24,930 in 2017 and 2016, respectively)	175,847	87	495	176,429	354,414
Audit and legal fees (including donated services of \$8,071 and \$3,920 in 2017 and 2016, respectively)	7,762	13,000	404	21,166	17,015
Occupancy	43,200			43,200	89,751
Telephone and telecommunications	16,910	1,691	188	18,789	23,380
Equipment rental, repairs and maintenance	6,066			6,066	9,634
Supplies	2,590	128	14	2,732	15,055
Printing	6,592			6,592	6,936
Postage and shipping	456	10	10	476	983
Fees, dues and subscriptions	2,013	963		2,976	7,708
Travel and meetings	534,004	7,803		541,807	370,842
Grants - Note 3	29,317			29,317	87,786
Event expenses	400			400	737
Insurance	4,291			4,291	5,197
Bank and other charges	9,439	1,199		10,638	9,386
Miscellaneous	605			605	120
<b>Total Expenses before Depreciation</b>	1,061,012	39,929	2,788	1,103,729	1,271,971
Depreciation				-	587
<b>Total Expenses 2017</b>	<u>\$ 1,061,012</u>	<u>\$ 39,929</u>	<u>\$ 2,788</u>	<u>\$ 1,103,729</u>	
<b>Total Expenses 2016</b>	<u>\$ 1,211,233</u>	<u>\$ 57,476</u>	<u>\$ 3,849</u>		<u>\$ 1,272,558</u>

See accompanying notes to financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION (WEDO)  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
**(WITH COMPARATIVE TOTALS FOR 2016)**

	2017	2016
<b><u>Cash Flows from Operating Activities</u></b>		
Change in Net Assets	(\$ 9,293)	(\$ 78,655)
Adjustments to reconcile change in Net Assets to net cash provided by/(used in) operating activities:		
Depreciation and amortization	-	587
Net unrealized loss/(gain) on investments	481	( 1,111)
Changes in assets and liabilities:		
Decrease/(increase) in accounts receivable	5,250	( 7,577)
Decrease in grants and contributions receivable	7,889	4,449
Decrease/(increase) in prepaid expenses	1,059	( 4,651)
Increase in security deposit	-	( 3,700)
Increase/(decrease) in accounts and accrued expenses payable	2,316	( 110,617)
Decrease in deferred rent revenue	-	( 2,841)
Decrease in tenants' security deposits payable	-	( 4,263)
 <b>Net Cash Provided by/(Used in) Operating Activities representing Net Increase/(Decrease) in Cash</b>	 7,702	 ( 208,379)
 Cash balance at beginning of year	 372,614	 580,993
 Cash balance at end of year	 \$ 380,316	 \$ 372,614

See accompanying notes to financial statements.



**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's power lies in its ability to facilitate and connect diverse movements to global processes, ensuring that women's voices are heard and women's leadership is advanced in these spheres. Its location in New York City and proximity and strong relationship to the United Nations make it a resource and strategic partner to women's organizations around the world. WEDO's influence builds capacity of stakeholders to simultaneously address human rights, women's participation, the environment and sustainable development.

WEDO maintains that diversity in leadership drives better policy; that women, as a result of socially constructed gender roles, are often more directly or severely impacted by negative environmental change while also having a unique perspective for creative and appropriate solutions; and that addressing complex environmental problems must incorporate women's human rights to avoid increasing gender equality and violence against women and to secure sustainable development for future generations.

(Continue)

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

WEDO's goals illustrate what that world looks like.

***Program Areas & Strategic Approach***

WEDO's Strategic Plan 2016-2020 organizes WEDO's objectives and activities around two interlinked goals:

- 1) Women are empowered to claim their rights as decision-makers, advocates and leaders, especially on issues related to environment and sustainable development.
- 2) Sustainable development policies, plans and practices are gender responsive, environmentally and socially just, and effectively implemented.

WEDO values its diverse collaborations and partnerships across the globe with women's organizations; environmental, development and human rights organizations; governments; and intergovernmental organizations, including the United Nations. The WEDO strategies reflect and draw from this, both building on and building up WEDO's strengths.

Strategies include:

- **Advocacy and Influence:** Engage in policy processes to ensure policy and actions reflect women's human rights and sustainable development.
- **Capacity Building and Training:** Build capacity and facilitate space for women's political voice, power and influence, at local, national and international levels.
- **Knowledge Production and Outreach:** Build and maintain knowledge base related to gender equality, women's rights, sustainable development and environmental issues, ensuring targeted and effective outreach and information sharing.

WEDO maintains principles of implementation: linking Link to spaces and platforms for intersectional feminist movement building towards a healthy, peaceful planet; advocating for transparent, democratic, accountable and effective global governance that provides space for civil society input at all levels; and practicing inclusion and prioritize the participation of indigenous women, women with disabilities, women of color, LGBTQI and young feminists / women's rights activists, particularly from developing / least developed countries.

WEDO works on a range of cross-cutting issues--from climate change and disaster risk reduction, to global governance and climate finance.

(Continue)

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

In 2017, WEDO continued its collaboration among multiple alliances and built or strengthened connections and strategic partnerships with hundreds of women's organizations across 8 regions. Major programming included:

- Climate change advocacy and the Women Delegates Fund ("WDF") at the United Nations Framework Convention on Climate Change ("UNFCCC").
- Capacity building on advocacy for women's human rights in multiple spaces.
- Advocacy and technical support for implementation of a transformative and accountable Agenda 2030 for Sustainable Development involving partners from multiple networks and global processes, including the Women's Major Group for sustainable development ("WMG").
- Fostering and facilitating women's leadership through capacity building and active participation in climate change and sustainable development spheres, in the WDF and with partners of the WMG and the UNFCCC Women and Gender Constituency ("WGC").
- Development and publication of knowledge products, including research and think pieces, on topics ranging from gender and climate policy, to climate finance and climate-induced migration.

WEDO balances a strong portfolio of global advocacy (e.g. Commission on the Status of Women, Agenda 2030 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.

As of December 31, 2016, computer equipment and software of \$3,532 were fully depreciated and amortized.

(Continue)

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

- c) 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.

- d) 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 which, at times, may exceed the current insured amount under Federal Deposit Insurance Corporation ("FDIC") protection. WEDO has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.
- 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.

As of December 31, 2017, all unconditional promises to give are due in less than one year.

(Continue)

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

- f) Donated services that are susceptible to objective measurement or valuation are recorded as support and expenses at fair value.
- g) 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.

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

- h) Program fees are recognized as income when earned.
- i) Contributions made and unconditional promises to give are recognized as expenses in the period made at their fair value.
- j) 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.

(Continue)

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

- k) 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, 2016 from which the summarized information was derived.
- l) 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.

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Investments as of December 31, 2017 consist of equity securities. Total investment returns, which are all unrestricted, consist of the following:

Interest and dividend income	\$ 33
Net unrealized loss on investments	( 481)
Net investment loss	<u>(\$ 448)</u>

Investments are measured at fair value. Generally accepted accounting principles establishes a fair value hierarchy that prioritizes the inputs used to measure fair value.

The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted market prices in active markets for identical assets and liabilities.
- Level 2: Significant observable inputs, other than those included in Level 1, such as unadjusted quoted market prices for similar assets or liabilities in active markets, unadjusted quoted prices for identical or similar assets and liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Significant unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

(Continue)

**NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS** - (Continued)

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following table sets forth by level, within the fair value hierarchy, WEDO's financial instruments at fair value as of December 31, 2017:

	<u>Fair Value Measurements at Reporting Date Using</u>	
	<u>Fair Value</u>	<u>Quoted Prices In Active Markets for Identical Assets (Level 1)</u>
Equity Securities	\$ 6,163	\$ 6,163

**NOTE 5 TEMPORARILY RESTRICTED NET ASSETS / RELEASE FROM RESTRICTIONS**

Temporarily restricted net assets as of December 31, 2017 and release from restrictions for the year are designated for sustainable development.

**NOTE 6 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 2017, WEDO elected to match employee contributions to a maximum of 3% of each covered employee's salary. Pension expense for the year 2017 was \$3,300.

**NOTE 7 COMMITMENT**

In 2016, WEDO entered into a lease agreement for its new office space under an operating lease expiring on June 30, 2018. Future minimum lease payments, exclusive of certain escalation costs, is \$22,200.

**NOTE 8 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 9 SUBSEQUENT EVENTS**

WEDO evaluated subsequent events through August 31, 2018, 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.