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**WOMEN'S ENVIRONMENT AND
DEVELOPMENT ORGANIZATION**

Audited Financial Statements

December 31, 2021

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Independent Auditors' Report

To the Board of Directors of
Women's Environment and Development Organization

Opinion

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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of WEDO as of December 31, 2021, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of WEDO and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WEDO's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

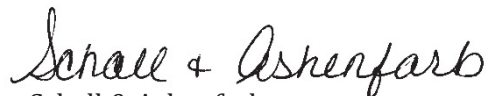
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WEDO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WEDO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited WEDO's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 20, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

October 11, 2022

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2021

(With comparative totals at December 31, 2020)

	<u>12/31/21</u>	<u>12/31/20</u>
Assets		
Cash and cash equivalents	\$2,307,783	\$873,271
Grants and contributions receivable (Note 3)	1,092,699	1,480,290
Program service fees receivable	0	13,500
Prepaid expenses and other assets	11,816	9,810
Security deposit	<u>1,500</u>	<u>1,500</u>
 Total assets	 <u><u>\$3,413,798</u></u>	 <u><u>\$2,378,371</u></u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$34,239	\$29,326
Conditional contributions (Note 2c)	<u>1,102,376</u>	<u>0</u>
 Total liabilities	 <u><u>1,136,615</u></u>	 <u><u>29,326</u></u>
Net assets:		
Without donor restrictions	262,450	99,202
With donor restrictions (Note 4)	<u>2,014,733</u>	<u>2,249,843</u>
Total net assets	<u><u>2,277,183</u></u>	<u><u>2,349,045</u></u>
 Total liabilities and net assets	 <u><u>\$3,413,798</u></u>	 <u><u>\$2,378,371</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With comparative totals for the year ended December 31, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/21</u>	<u>Total 12/31/20*</u>
Public support and revenue:				
Grants and contributions	\$459,734	\$1,119,340	\$1,579,074	\$2,025,894
Program service fees	54,000		54,000	68,565
Other income	5,470		5,470	1,579
Net assets released from restrictions (Note 4)	<u>1,281,611</u>	<u>(1,281,611)</u>	<u>0</u>	<u>0</u>
 Total public support and revenue	 <u>1,800,815</u>	 <u>(162,271)</u>	 <u>1,638,544</u>	 <u>2,096,038</u>
Expenses:				
Program services	<u>1,457,527</u>		<u>1,457,527</u>	<u>630,177</u>
Supporting services:				
Management and general	158,080		158,080	68,069
Fundraising	<u>22,432</u>		<u>22,432</u>	<u>8,808</u>
Total supporting services	<u>180,512</u>	<u>0</u>	<u>180,512</u>	<u>76,877</u>
Total expenses	<u>1,638,039</u>	<u>0</u>	<u>1,638,039</u>	<u>707,054</u>
 Change in net assets from operating activities	 162,776	 (162,271)	 505	 1,388,984
Non-operating activities (Note 3):				
(Loss)/gain on currency exchange rate	<u>472</u>	<u>(72,839)</u>	<u>(72,367)</u>	<u>3,209</u>
 Change in net assets	 163,248	 (235,110)	 (71,862)	 1,392,193
Net assets - beginning of year	<u>99,202</u>	<u>2,249,843</u>	<u>2,349,045</u>	<u>956,852</u>
Net assets - end of year	<u>\$262,450</u>	<u>\$2,014,733</u>	<u>\$2,277,183</u>	<u>\$2,349,045</u>

* - Reclassified for comparative purposes

The attached notes and auditors' report are an integral part of these financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

(With comparative totals for the year ended December 31, 2020)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/21	Total Expenses 12/31/20
	Program Services	Management and General	Fundraising			
Salaries	\$282,120	\$72,810	\$15,971	\$88,781	\$370,901	\$254,579
Payroll taxes and benefits	57,696	14,886	3,267	18,153	75,849	54,408
Total personnel services	<u>339,816</u>	<u>87,696</u>	<u>19,238</u>	<u>106,934</u>	<u>446,750</u>	<u>308,987</u>
Professional fees	438,341	55,824		55,824	494,165	252,052
Subgrants	207,561			0	207,561	86,364
Office expenses	27,071	6,987	1,532	8,519	35,590	13,216
Travel	400,102			0	400,102	10,273
Other program expenses	15,288			0	15,288	2,581
Occupancy	14,844	3,831	840	4,671	19,515	19,444
Insurance	2,142	552	122	674	2,816	1,596
Dues and subscriptions	<u>12,362</u>	<u>3,190</u>	<u>700</u>	<u>3,890</u>	<u>16,252</u>	<u>12,541</u>
Total expenses	<u><u>\$1,457,527</u></u>	<u><u>\$158,080</u></u>	<u><u>\$22,432</u></u>	<u><u>\$180,512</u></u>	<u><u>\$1,638,039</u></u>	<u><u>\$707,054</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(With comparative totals for the year ended December 31, 2020)

	12/31/21	12/31/20
Cash flows from operating activities:		
Change in net assets	(\$71,862)	\$1,392,193
Adjustments to reconcile change in net assets to net cash flows provided by operating activities:		
Changes in assets and liabilities:		
Grants and contributions receivable	387,591	(1,042,469)
Program service fees receivable	13,500	(13,500)
Prepaid expenses and other assets	(2,006)	(9,663)
Accounts payable and accrued expenses	4,913	366
Conditional contributions	1,102,376	0
Total adjustments	1,506,374	(1,065,266)
Net cash flows provided by operating activities/ net increase in cash and cash equivalents	1,434,512	326,927
Cash and cash equivalents - beginning of year	873,271	546,344
Cash and cash equivalents - end of year	\$2,307,783	\$873,271
Supplemental information:		
Interest and taxes paid	\$0	\$0

The attached notes and auditors' report are an integral part of these financial statements.

WOMEN'S ENVIRONMENT AND DEVELOPMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1. Organization

Women's Environment and Development Organization's ("WEDO") 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 was incorporated in 1991 under the State of New York as a not-for-profit organization and is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

Note 2. Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which is the process of recording public support, revenue and expenses when earned or incurred regardless of when cash is received or paid.

b. Basis of Presentation

WEDO reports information regarding its financial position and activity according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

WEDO follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recorded at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the classes of net assets described above, depending on the existence and/or nature of any donor-imposed restriction. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they are received, they are classified as without donor restrictions.

Grants and contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met. Conditional grants that have been awarded to WEDO but have not been recognized amounted to \$4,523,509 at December 31, 2021. Of that amount, \$1,102,376 has been received in cash. These grants are conditioned upon incurring qualifying expenditures and will be recognized as grants and contributions revenue when the conditions are met.

Unconditional promises to give expected to be received within one year are recorded at net realizable value. Long-term receivables are recorded at fair value using risk-adjusted present value techniques.

WEDO also follows the requirements of FASB ASC 958-606 for recognizing revenue from contracts with customers. WEDO receives fees in exchange for providing training, guides, and other services to other organizations. This is classified as program service fees and recognized as revenue at the point in time that the services are completed and the performance obligations are met. Program service fees that have been earned but not paid at year end are recognized as income and a related receivable. Cash that has been received but not earned at year end is recognized as deferred revenue.

Management assesses the collectability of all outstanding receivables based upon historical trends and experience with donors. Based on that review, management has concluded that all receivables are collectible. As such, no allowance for uncollectible accounts was deemed necessary.

d. Cash and Cash Equivalents

WEDO considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

e. Significant Concentrations

Financial instruments that potentially subject WEDO to a concentration of credit risk consist of a checking account held with a financial institution that management deems to be creditworthy. At times, balances may exceed federally insured limits. At year end and at certain times throughout the year, WEDO had uninsured balances; however, they have not suffered any losses due to bank failure.

During the year ended December 31, 2021, WEDO received approximately 70% of its total support and revenue and 86% of its grants and contributions receivable from its three largest funding sources. During the year ended December 31, 2020, WEDO received approximately 67% of its total support and revenue and 69% of its grants and contributions receivable from its two largest funding sources.

f. Capitalization Policies

Fixed assets that exceed \$5,000 and that have a useful life of greater than three years are recorded at cost or at fair value on the date of the gift, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Routine maintenance and repair costs that do not materially extend the estimated useful life of the fixed asset and have no future benefit are expensed as incurred. There were no fixed assets at December 31, 2021 or 2020.

g. Management Estimates

The preparation of financial statements in accordance 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. Actual results could differ from those estimates.

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but to provide for the overall support and direction of WEDO.

Salaries were allocated using time and effort as the basis. The following expenses were allocated using the salary allocation as the basis:

- Payroll taxes and benefits
- Office expenses
- Occupancy
- Insurance
- Dues and subscriptions

All other expenses have been charged directly to the applicable program or supporting services.

i. Advertising Costs

The cost of advertising is expensed as incurred.

j. In-Kind Services

Donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind are recognized at fair value.

Board members and other individuals volunteer their time and perform a variety of services that assist WEDO. These services do not meet the criteria outlined above and have not been recorded in the financial statements.

k. Accounting for Uncertainty of Income Taxes

WEDO does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2018 and later are subject to examination by applicable taxing authorities.

l. New Accounting Pronouncements

FASB issued Accounting Standards Update (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

WEDO is in the process of evaluating the impact these standards will have on future financial statements.

m. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with WEDO’s financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Note 3. Grants and Contributions Receivable

Grants and contributions receivable as of December 31, 2021 are anticipated to be collected in the following periods:

Year-ending:	December 31, 2022	\$733,997
	December 31, 2023	190,243
	December 31, 2024	<u>180,618</u>
		1,104,858
Less: present value discount at 1.47%		<u>(12,159)</u>
Total		<u>\$1,092,699</u>

WEDO receives grants in both US and foreign currencies. At year end, grants and contributions receivable that are denominated in foreign currencies are adjusted to reflect the current exchange rate. Gains and losses from changes in foreign currency exchange rates are reflected as non-operating activity on the statement of activities.

Note 4. Net Assets With Donor Restrictions

Net assets with donor restrictions can be summarized as follows:

	<u>12/31/21</u>	<u>12/31/20</u>
Programs:		
Women Delegates Fund	\$202,752	\$405,250
Mobilizing Women for Climate Justice	1,002,043	1,103,151
UN Women’s Major Group	200,000	219,587
Gender-Responsive Climate Policy	0	134,200
Feminist Green New Deal Coalition	0	24,251
Feminist Collective Action to COVID and Recovery	0	98,404
Action Nexus on Feminist Economic and Climate Justice	189,608	0
Feminist Climate Just Advocacy	<u>20,330</u>	<u>0</u>
Total program restrictions	1,614,733	1,984,843
Time restrictions	<u>400,000</u>	<u>265,000</u>
Total restrictions	<u>\$2,014,733</u>	<u>\$2,249,843</u>

The following summarizes net asset released from restrictions:

	<u>12/31/21</u>	<u>12/31/20</u>
Programs:		
Women Delegates Fund	\$199,780	\$93,267
Mobilizing Women for Climate Justice	310,327	107,053
UN Women's Major Group	219,587	154,256
Gender-Responsive Climate Policy	134,200	0
Feminist Green New Deal Coalition	24,251	20,749
Feminist Collective Action to COVID and Recovery	98,404	36,596
Action Nexus on Feminist Economic and Climate Justice	10,392	0
Feminist Climate Just Advocacy	<u>19,670</u>	<u>0</u>
Total program restrictions	1,016,611	411,921
Time restrictions	<u>265,000</u>	<u>0</u>
Total restrictions	<u>\$1,281,611</u>	<u>\$411,921</u>

Note 5. Retirement Plan

WEDO sponsors a tax deferred annuity retirement plan that is qualified under Section 403(b) of the Internal Revenue Code. The plan covers all full-time employees immediately upon hire and allows them to make contributions up to the maximum statutory amount. After one year of eligible service, WEDO will contribute matching funds to the retirement plan up to a maximum of 3% of the employee's salary annually. Total contributions by WEDO to the plan were \$9,000 and \$5,000 for the years ended December 31, 2021 and 2020, respectively.

Note 6. Availability and Liquidity

WEDO maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management, WEDO operates its programs within a board approved budget and relies on grants and contributions to fund its operations and program activities.

The following reflects WEDO's financial assets at December 31, 2021 that are available to meet cash needs for general expenditures within one year:

Cash and cash equivalents	\$2,307,783	
Grants and contributions receivable due within one year	<u>733,997</u>	
Total financial assets		\$3,041,780
Less amounts not available for general expenditures:		
Donor contributions restricted to specific purposes within one year		<u>(1,243,872)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$1,797,908</u>

Note 7. Subsequent Events

Subsequent events have been evaluated through October 11, 2022, the date the financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the financial statements.

Note 8. Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an impact on the economies and financial markets of many countries, including the geographical area in which WEDO operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these financial statements, the potential impact cannot be quantified.