

**INTERNATIONAL DEVELOPMENT EXCHANGE**

**(A California Corporation)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2012**

# **INTERNATIONAL DEVELOPMENT EXCHANGE**

---

---

## **TABLE OF CONTENTS**

Independent auditors' report	Page 2
Statement of financial position - June 30, 2012	Exhibit A
Statement of activities for the year ended June 30, 2012	Exhibit B
Statement of functional expenses for the year ended June 30, 2012	Schedule B-1
Statement of cash flows for the year ended June 30, 2012	Exhibit C
Notes to financial statements - June 30, 2012	Exhibit D

**BAILEY & UTLEY**  
CERTIFIED PUBLIC ACCOUNTANTS  
303 WEST JOAQUIN AVENUE, SUITE 280  
SAN LEANDRO, CALIFORNIA 94577  

---

**(510) 614-1895 • FAX (510) 614-1899**

**Independent Auditors' Report**

Board of Directors  
International Development Exchange

We have audited the accompanying statement of financial position of International Development Exchange (a California Not-For-Profit corporation) as of June 30, 2012, and the related statements of activities, net assets, and statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted auditing standards in the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion

Because we were not engaged as auditors until after June 30, 2011, we have not applied audit procedures necessary to satisfy ourselves about the classifications and amounts comprising the statement of financial position at June 30, 2011. The statement of financial position at that date, including classifications and amounts, materially affect the determination of the results of operations and cash flows for the year ended June 30, 2012.

Because of the significance of the matter discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the results of operations and cash flows for the year ended June 30, 2012, or on the consistency of application of accounting principles with the preceding year.

In our opinion, the accompanying statement of financial position referred to in the first paragraph presents fairly, in all material respects, the financial position of International Development Exchange as of June 30, 2012, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on Exhibit B-1 is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Baulo + Mly CMA*  
Certified Public Accountants

San Leandro, California  
February 19, 2013

## INTERNATIONAL DEVELOPMENT EXCHANGE

## STATEMENT OF FINANCIAL POSITION - JUNE 30, 2012

	Unrestricted Fund	Restricted Fund	Total
<b>ASSETS:</b>			
Cash	\$ 0	\$ 29,858	\$29,858
Accounts receivable	390	0	390
Grant receivable	0	66,500	66,500
Donation receivable	2,395	0	2,395
Prepaid expenses	3,460	0	3,460
Loan receivable (Note 8)	21,428	4,416	25,844
Deposits	<u>750</u>	<u>0</u>	<u>750</u>
<b>TOTAL CURRENT ASSETS</b>	<b>\$28,423</b>	<b>\$100,774</b>	<b>\$129,197</b>
Property and equipment, at cost (Note 1), net of accumulated depreciation of \$62,903	<u>6,116</u>	<u>0</u>	<u>6,116</u>
	<u><b>\$34,539</b></u>	<u><b>\$100,774</b></u>	<u><b>\$135,313</b></u>
<b>LIABILITIES:</b>			
Loan payable (Note 9)	\$50,000	\$ 0	\$ 50,000
Accounts payable	500	0	500
Credit card payable	19,398	0	19,398
Accrued payroll	21,860	0	21,860
Fiscal sponsor payable	75	0	75
Sublease security deposit	<u>1,800</u>	<u>0</u>	<u>1,800</u>
	<u><b>\$93,633</b></u>	<u><b>\$ 0</b></u>	<u><b>\$ 93,633</b></u>
<b>NET ASSETS:</b>			
Unrestricted	(\$59,094)	\$ 0	(\$ 59,094)
Temporarily restricted	0	100,774	100,774
Permanently restricted	<u>0</u>	<u>0</u>	<u>0</u>
	<u><b>(\$59,094)</b></u>	<u><b>\$100,774</b></u>	<u><b>\$ 41,680</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$34,539</b></u>	<u><b>\$100,774</b></u>	<u><b>\$135,313</b></u>

See Notes to the Financial Statements

**INTERNATIONAL DEVELOPMENT EXCHANGE****STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2012**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
REVENUE:			
Foundation grants	\$ 361,506	\$ 60,000	\$ 421,506
Individual grants	391,656	0	391,656
Corporate grants	9,979	0	9,979
Group grants	1,500	0	1,500
Professional services	16,000	0	16,000
Fiscal sponsor admin fees	2,767	0	2,767
Donated services (Note 3)	0	0	0
Events	( 1,350)	0	( 1,350)
Dividend and interest income	1,128	0	1,128
Gain on sale of stock	568	0	568
Miscellaneous	2,152	0	2,152
Net assets released from restriction	<u>111,084</u>	<u>(111,084)</u>	<u>0</u>
<b>TOTAL REVENUE</b>	<b><u>\$896,990</u></b>	<b><u>(\$ 51,084)</u></b>	<b><u>\$845,906</u></b>
EXPENSES (Schedule B-1):			
Program services:			
Program	<u>\$559,062</u>	<u>\$ 0</u>	<u>\$ 559,062</u>
Supporting services:			
Management and general	\$ 72,443	\$ 0	\$ 72,433
Fundraising	<u>153,531</u>	<u>0</u>	<u>153,531</u>
Management and general			
Total supporting services	<u>\$225,964</u>	<u>0</u>	<u>\$225,964</u>
<b>TOTAL EXPENSES</b>	<b><u>\$785,026</u></b>	<b><u>\$ 0</u></b>	<b><u>\$785,026</u></b>
CHANGE IN NET ASSETS	\$111,964	(\$ 51,084)	\$ 60,880
NET ASSETS, July 1, 2011	<u>(\$171,058)</u>	<u>\$151,858</u>	<u>( 19,200)</u>
NET ASSETS, June 30, 2012	<u>(\$ 59,094)</u>	<u>\$100,774</u>	<u>\$ 41,680</u>

See Notes to the Financial Statements

**INTERNATIONAL DEVELOPMENT EXCHANGE**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2012**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	190,025	33,217	84,514	307,756
Grants- fiscal sponsor	167,348	0	0	167,348
Grants – projects (Restricted)	66,649	0	0	66,649
Consulting	34,554	4,250	20,467	59,271
Employee benefits	15,972	4,300	7,937	28,209
Payroll taxes	15,195	3,064	7,722	25,981
Travel	21,033	195	3,605	24,833
Rent net of sublease	13,233	2,408	7,726	23,367
Newsletter/website	4,671	1,333	6,144	12,148
Services by volunteers (Note 3)		0	0	
Printing	5,500	70	3,259	8,829
Membership	5,075	539	2,210	7,824
Office supplies	4,207	846	1,706	6,759
Accounting	0	5,375	0	5,375
Bank charges	0	3,942	1,092	4,476
Postage	909	1,977	672	3,558
Telecommunications	2,131	137	1,163	3,431
Workers' compensation	1,473	395	1,280	3,148
Insurance	0	2,770	0	2,770
Payroll service fees	1,685	283	719	2,687
Depreciation	0	2,658	0	2,658
Professional development	145	2,480	0	2,625
Interest (Note 8)	2,500	0	0	2,500
Utilities	932	356	543	1,831
Legal	150	0	0	150
Miscellaneous	<u>5,675</u>	<u>2,396</u>	<u>2,772</u>	<u>10,843</u>
<b>TOTAL EXPENSES</b>	<b><u>\$559,062</u></b>	<b><u>\$72,433</u></b>	<b><u>\$153,531</u></b>	<b><u>\$785,026</u></b>

See Notes to the Financial Statements

**INTERNATIONAL DEVELOPMENT EXCHANGE****STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2012**

---

---

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets (Exhibit B)		\$ 60,880
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities:		
Depreciation	\$ 2,658	
(Increase) decrease in:		
Accounts receivable	( 390)	
Grant receivable	(66,500)	
Donation receivable	( 2,395)	
Prepaid expenses	( 3,460)	
Deposits	( 750)	
(Decrease) increase in:		
Accounts payable	( 6,567)	
Credit card payable	19,398	
Fiscal sponsor payable	75	
Sublease security deposit	1,800	
Accrued payroll	<u>4,896</u>	( <u>51,235</u> )

NET CASH PROVIDED BY OPERATING ACTIVITIES 9,645

**CASH FLOWS FROM INVESTING ACTIVITIES**

Loan to organizations (\$25,844)

NET CASH USED BY INVESTING ACTIVITIES (25,844)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of equipment \$ 2,875

NET CASH USED BY INVESTING ACTIVITIES ( 2,875)

NET DECREASE IN CASH (\$19,074)

CASH AT JULY 1, 2011 48,932

CASH AT JUNE 30, 2012 \$29,858

See Notes to the Financial Statement



## INTERNATIONAL DEVELOPMENT EXCHANGES

### NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2012

---

---

#### Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

##### Nature of activities:

IDEX identifies, evaluates, and grows the best ideas from local leaders and organizations to alleviate poverty and injustice around the world. IDEX connects a passionate and engaged network of supporters to the visionary leaders and organizations creating lasting solutions to their communities' most pressing challenges. IDEX has supported more than 500 grassroots, community-led projects in Africa, Asia and Latin-America. Annually, IDEX's partners serve approximately 1.2 million people in impoverished communities, including marginalized women, small farmers, indigenous communities, low-income urban residents, sexual and ethnic minorities, and youth.

##### Method of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles

##### Financial statement presentation:

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets.

##### Revenue Recognition:

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/ or nature of any donor restrictions. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions

##### Donated Assets:

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation.

##### Donated Services:

Donated services in the amount of \$0 were reflected in the financial statements and pertain to services donated requiring a specific skill. hours were donated by individuals that performed a variety of tasks that assist the organization for the year.

## INTERNATIONAL DEVELOPMENT EXCHANGES

### NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2012

---

**Property and equipment:**

Property and equipment are stated at cost. Depreciation is computed on the straight-line method of accounting over useful lives of three to five years.

**Tax-exempt status:**

The Organization has been granted tax-exempt status by the Internal Revenue Service and the California Franchise Tax Board.

**Note 2. NATURE OF ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

**Note 3. NET ASSETS:**

Unrestricted Net Assets:

Operating-Support is provided to the Organization primarily from individuals, foundations, and corporations which are available for general operations.

Temporarily Restricted:

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and /or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Note 4. COMMITMENTS:**

The Organization leases office space that expire on June 30, 2013. Future Lease commitments are as follows for the years ended June 30:

2013	\$46,126
2014	46,126
2015	46,126
2016	11,532

The organization had a sublease that expires on December 31, 2012 and reverts to a month to month lease. The sublease for the remainder of 2012 is \$10,800

**INTERNATIONAL DEVELOPMENT EXCHANGES****NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2012**

---

---

**Note 5. FUNCTIONAL ALLOCATION OF EXPENSES:**

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

**Note 6. CONTINGENCIES:**

Grant awards require the fulfillment of certain conditions set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to the grantors. The Organization deems this contingency remote since by accepting the grants and their terms, it has accommodated the objectives of the Organization to the provision of the grants. The Organization's management is of the opinion that the Organization has complied the terms of the grant.

**Note 7. NOTE RECEIVABLE:**

The Organization entered into a loan agreement to loan \$50,000 to Women's Awareness Center Nepal to help promote the empowerment of marginalized communities. The loan will be made in two installment of \$25,000 on November 1, 2011 and June 1, 2012. The 2<sup>nd</sup> installment has not been made but is in process and is awaiting approval from the Nepal government for the bank transfer. The installments are to be paid back to IDEX with interest at 6.755 per annum on the unpaid balance. The first installment made on November 1, 2011 would be due November 14, 2014. the 2<sup>nd</sup> installment if loan would be on May 30, 2015 with interest at 6.75% of the unpaid balance.

**Note 8. NOTE PAYABLE:**

The Organization entered into a loan agreement on April 8, 2011 to receive \$50,000. The purpose of the loan is to then loan the \$50,000 to organization mention in Note 7. The Organization is required to pay interest at 5% on the unpaid principal balance annually with the unpaid principal due April 8, 2014.

**Note 9. SUBSEQUENT EVENTS:**

The Organization has evaluated subsequent events through February 19, 2013 the date the financial statements were available to be issued.