

INTERNATIONAL DEVELOPMENT EXCHANGE

(A California Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2014

INTERNATIONAL DEVELOPMENT EXCHANGE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
International Development Exchange.

We have audited the accompanying statement of financial position of International Development Exchange (a California nonprofit organization) as of June 30, 2014, and were engaged to audit the related statements of activities, 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. We conducted our audit of the statement of financial position 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 statement of financial position is 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 on the statement of financial position. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statements activities and cash flows or the consistency of application of accounting principles with the preceding year.

Basis for Disclaimer of Opinion on the Statement of Activities, Cash Flows, and Consistency

Because we were not engaged as auditors until after June 30, 2014, we have not applied audit procedures necessary to obtain sufficient appropriate audit evidence about the classifications and amounts comprising the statement of financial position at June 30, 2013. The classification and amounts and other significant aspects of the statement of financial position at that date materially affect the determination of the statement of activities and cash flows for the year ended June 30, 2014, or the consistency of application of accounting principles between 2014 and 2013.

Opinion on the Statement of Financial Position

In our opinion, the 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, 2014, in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on Schedule 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Bailey + Utley, CPAs
Bailey and Utley, CPAs

San Leandro, Ca
October 10, 2014

EXHIBIT A**INTERNATIONAL DEVELOPMENT EXCHANGE****STATEMENT OF FINANCIAL POSITION - JUNE 30, 2014**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
ASSETS:			
Cash	\$40,026	\$31,203	\$71,229
Accounts receivable	1,349	0	1,349
Grant receivable	10,000	0	10,000
Donation receivable	1,140	0	1,140
Prepaid expenses	<u>1,061</u>	<u>0</u>	<u>1,061</u>
TOTAL CURRENT ASSETS	\$53,576	\$31,203	\$84,779
Property and equipment, at cost (Note 1), net of accumulated depreciation of \$5,276	<u>2,498</u>	<u>0</u>	<u>2,498</u>
	<u>\$56,074</u>	<u>\$31,203</u>	<u>\$87,277</u>
LIABILITIES:			
Accounts payable	\$13,019	0	\$13,019
Credit card payable	10,419	0	10,419
Accrued payroll	10,580	0	10,580
Accrued vacation	10,239	0	10,239
Sublease security deposit	<u>2,000</u>	<u>0</u>	<u>2,000</u>
	<u>\$46,257</u>	<u>\$ 0</u>	<u>\$46,257</u>
NET ASSETS:			
Unrestricted	\$ 9,817	\$ 0	\$9,817
Temporarily restricted	0	31,203	31,203
Permanently restricted	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 9,817</u>	<u>\$31,203</u>	<u>\$41,020</u>
TOTAL LIABILITIES AND NET ASSETS	\$56,074	\$31,203	\$87,277

See Notes to the Financial Statements

EXHIBIT B**INTERNATIONAL DEVELOPMENT EXCHANGE****STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2014**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
REVENUE:			
Foundation grants	\$ 795,500	\$ 0	\$ 795,500
Individual grants	93,927	31,203	125,130
Individual stock donations	84,827		84,827
Corporate grants	2,400	0	2,400
Professional services	4,625	0	4,625
Fiscal sponsor admin fees	3,600	0	3,600
Donated services (Note 3)	85,000	0	85,000
Events	2,877	0	2,877
Dividend and interest income	3,035	0	3,035
Loss on sale of stock	(312)	0	(312)
Loss on exchange rate	(6,337)		(6,337)
Miscellaneous	2,395	0	2,395
Net assets released from restriction	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>\$1,071,537</u>	<u>\$31,203</u>	<u>\$1,102,740</u>
EXPENSES (Schedule B-1):			
Program services:			
Program	<u>\$ 758,102</u>	<u>\$ 0</u>	<u>\$ 758,102</u>
Supporting services:			
Management and general	\$ 139,316	\$ 0	\$ 139,316
Fundraising	<u>110,565</u>	<u>0</u>	<u>110,565</u>
Management and general			
Total supporting services	<u>\$ 225,964</u>	<u>0</u>	<u>\$ 225,964</u>
TOTAL EXPENSES	<u>\$1,007,983</u>	<u>\$ 0</u>	<u>\$1,007,983</u>
CHANGE IN NET ASSETS	\$ 63,554	\$31,203	\$ 94,757
NET ASSETS, July 1, 2013	(<u>\$ 53,737</u>)	<u>\$ 0</u>	(<u>\$ 53,737</u>)
NET ASSETS, June 30, 2014	<u>\$ 9,817</u>	<u>\$31,203</u>	<u>\$ 41,020</u>

See Notes to the Financial Statements

INTERNATIONAL DEVELOPMENT EXCHANGE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Grants – projects (Restricted)	\$353,015	\$ 0	\$ 0	\$ 353,015
Salaries	179,330	106,981	34,405	320,716
Consulting	15,998	5,250	4,470	25,718
Employee benefits	19,167	3,677	11,434	34,278
Travel	22,544	652	9,347	32,543
Payroll taxes	15,514	2,977	9,255	27,746
Rent net of sublease	19,615	2,452	2,452	24,519
Newsletter/website	202	0	16,064	16,266
Printing	1,019	0	9,170	10,189
Alliance building	9,911	0	0	9,911
Membership	4,032	0	3,647	7,679
Professional development	6,188	1,011	0	7,199
Services by volunteers (Note 3)	85,000	0	0	85,000
Development	2,408	0	4,518	6,926
Office supplies	5,591	678	514	6,783
Bank charges	718	4,178	1,851	6,747
Telecommunications	5,358	670	670	6,698
Insurance	0	4,757	0	4,757
Workers' compensation				
Insurance	2,012	386	1,201	3,599
Legal and Accounting	0	3,523	0	3,523
Postage	1,533	274	812	2,619
Interest (Note 8)	2,500	0	0	2,500
Depreciation	1,972	247	247	2,466
Recruitment	1,764	322	0	2,086
Payroll service fees	869	167	508	1,544
Miscellaneous	<u>1,842</u>	<u>1,114</u>	<u>0</u>	<u>2,956</u>
TOTAL EXPENSES	<u>\$758,102</u>	<u>\$139,316</u>	<u>\$110,565</u>	<u>\$1,007,983</u>

See Notes to the Financial Statements

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets (Exhibit B)		\$94,757
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities:		
Depreciation	\$ 2,466	
(Increase) decrease in:		
Accounts receivable	(428)	
Grant receivable	(10,000)	
Donation receivable	(1,140)	
Prepaid expenses	3,090	
Deposits	750	
(Decrease) increase in:		
Accounts payable	13,019	
Credit card payable	(5,616)	
Fiscal sponsor payable	(75)	
Accrued vacation	(7,032)	
Accrued payroll	<u>3,504</u>	(1,462)
NET CASH PROVIDED BY OPERATING ACTIVITIES		93,295
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to organizations	(\$50,000)	
Loan Proceeds	25,000	
NET CASH USED BY INVESTING ACTIVITIES		(25,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Retirement of equipment	<u>\$ 1,610</u>	
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>1,610</u>
NET INCREASE IN CASH		\$69,905
CASH AT JULY 1, 2013		<u>1,324</u>
CASH AT JUNE 30, 2014		<u>\$71,229</u>

See Notes to the Financial Statement

INTERNATIONAL DEVELOPMENT EXCHANGE

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2014

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 of 1700 hours in the amount of \$85,000 were reflected in the financial statements and pertain to services donated requiring a specific skill. 1200 hours were donated by individuals that performed a variety of tasks that assist the organization for the year.

INTERNATIONAL DEVELOPMENT EXCHANGE

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2014

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 December 31, 2016. Future Lease commitments are as follows for the years ended June 30:

2015	51,543
2016	51,912
2017	12,978

The organization had a sublease that expires on June 30, 2015 reverted to a month to month lease. The sublease through 2015 is \$25,200

INTERNATIONAL DEVELOPMENT EXCHANGE

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2014

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 the 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 with the terms of all grants.

Note 7. SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through October 10, 2014 the date the financial statements were available to be issued.