



INTERNATIONAL DEVELOPMENT EXCHANGE

(A California Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2016

INTERNATIONAL DEVELOPMENT EXCHANGE

TABLE OF CONTENTS

Independent auditors' report	Page 2
Statement of financial position - June 30, 2016	Exhibit A
Statement of activities for the year ended June 30, 2016	Exhibit B
Statement of functional expenses for the year ended June 30, 2016	Schedule B-1
Statement of cash flows for the year ended June 30, 2016	Exhibit C
Notes to financial statements - June 30, 2016	Exhibit D

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
International Development Exchange

We have audited the accompanying financial statements of International Development Exchange (a California nonprofit organization) which comprise the statement of financial position as of June 30, 2016, 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 conducting the 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Development Exchange as of June 30, 2016, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Bailey + Utley, CPAs
Bailey and Utley, CPAs

San Leandro, Ca
February 28, 2017

INTERNATIONAL DEVELOPMENT EXCHANGE

STATEMENT OF FINANCIAL POSITION - JUNE 30, 2016

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
ASSETS:			
Cash	\$ 0	\$1,289,630	\$1,289,630
Accounts receivable	38,436	0	38,436
Grant receivable	1,426,959	472,000	1,898,959
Donation receivable	0	12,500	12,500
Investments	1,450,622	114,359	1,564,981
Employee advances	3,000	11,319	14,319
Prepaid expenses	<u>15,897</u>	<u>3,304</u>	<u>19,201</u>
TOTAL CURRENT ASSETS	\$2,934,914	\$1,903,112	\$4,838,026
Property and equipment, at cost (Note 1), net of accumulated depreciation of \$10,860	<u>6,209</u>	<u>0</u>	<u>6,209</u>
TOTAL ASSETS	<u>\$2,941,123</u>	<u>\$1,903,112</u>	<u>\$4,844,235</u>
LIABILITIES:			
Accounts payable	\$ 15,920	\$ 5,446	\$ 21,366
Grant payable	10,000	0	10,000
Credit card payable	154	1,521	1,675
Accrued payroll	25,966	15,542	41,508
Accrued vacation	28,938	0	28,938
Sublease security deposit	<u>1,950</u>	<u>0</u>	<u>1,950</u>
	<u>\$ 82,928</u>	<u>\$ 22,509</u>	<u>\$ 105,437</u>
NET ASSETS:			
Unrestricted	\$2,858,195	\$ 0	\$2,858,195
Temporarily restricted	0	1,880,603	1,880,603
Permanently restricted	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$2,858,195</u>	<u>\$1,880,603</u>	<u>\$4,738,798</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$2,941,123</u>	<u>\$1,903,112</u>	<u>\$4,844,235</u>

See Notes to the Financial Statements

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF ACTIVITIES****YEAR ENDED JUNE 30, 2016**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	<u>Total</u>
REVENUE:			
Foundation grants	\$3,132,258	\$1,868,103	\$ 5,000,361
Individual donations	1,213,305	12,500	1,225,805
Individual stock donations	261,105	0	261,105
Corporate grants	250	0	250
Professional services, net	73,648	0	73,648
Academy, net	13,637	0	13,637
Events, net	51	0	51
Dividend and interest income	6,436	0	6,436
Unrealized Gain on sale of stock	66,008	0	66,008
Net assets released from restriction	<u>0</u>	<u>(0)</u>	<u>0</u>
TOTAL REVENUE	<u>\$4,766,698</u>	<u>\$1,880,603</u>	<u>\$6,647,301</u>
EXPENSES (Schedule B-1):			
Program services:			
Program	<u>\$1,804,588</u>	<u>\$ 0</u>	<u>\$1,804,588</u>
Supporting services:			
Management and general	\$ 201,017	\$ 0	\$ 201,017
Fundraising	<u>354,091</u>	<u>0</u>	<u>354,091</u>
Management and general			
Total supporting services	<u>\$ 555,108</u>	<u>0</u>	<u>\$ 555,108</u>
TOTAL EXPENSES	<u>\$2,359,696</u>	<u>\$ 0</u>	<u>\$2,359,696</u>
CHANGE IN NET ASSETS	\$2,407,002	\$1,880,603	\$4,287,605
NET ASSETS, July 1, 2015	<u>\$ 451,193</u>	<u>\$ 0</u>	<u>\$ 451,193</u>
NET ASSETS, June 30, 2016	<u>\$2,858,195</u>	<u>\$1,880,603</u>	<u>\$4,738,798</u>

INTERNATIONAL DEVELOPMENT EXCHANGE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Grants – projects (Restricted)	\$595,926	\$ 37,250	\$ 0	\$ 633,176
Salaries	575,495	80,526	140,760	796,781
Consulting	230,887	18,207	83,824	332,918
Travel	163,504	2,389	43,273	209,166
Payroll taxes	47,004	7,103	12,991	67,098
Employee benefits	34,800	7,594	13,963	56,357
Website fees	40,860	106	5,464	46,430
Rent net of sublease	23,530	6,127	11,266	40,923
Outreach	32,260	582	1,070	33,912
Legal and Accounting	2,227	12,822	5,816	20,865
Bank charges	8,825	5,266	5,313	19,404
Workers' compensation	13,910	395	710	15,015
Printing	1,661	0	10,362	12,023
Board	0	10,925	0	10,925
Telecommunications	6,626	1,401	2,576	10,603
Office supplies	7,187	1,087	2,089	10,363
Membership	3,821	656	5,656	10,133
Insurance	1,011	5,016	500	6,527
Professional development	2,768	1,371	2,337	6,476
Recruitment	3,424	868	1,600	5,892
Equipment rental	1,787	481	885	3,153
Depreciation	3,119	0	0	3,119
Utilities and cleaning	1,151	310	571	2,032
Payroll service fees	1,231	171	308	1,710
Development	0	0	1,492	1,492
Postage	799	137	289	1,225
Miscellaneous	<u>775</u>	<u>227</u>	<u>976</u>	<u>1,978</u>
TOTAL EXPENSES	<u>\$1,804,588</u>	<u>\$201,017</u>	<u>\$354,091</u>	<u>\$2,359,696</u>

See Notes to the Financial Statements

INTERNATIONAL DEVELOPMENT EXCHANGE**STATEMENT OF CASH FLOWS****YEAR ENDED JUNE 30, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets (Exhibit B)		\$4,287,605
Adjustments to reconcile excess of expenses over revenue to net cash provided by operating activities:		
Depreciation	\$ 3,119	
Unrealized gain on investments	(66,008)	
(Increase) decrease in:		
Accounts receivable	(30,775)	
Grant receivable	(1,783,959)	
Donation receivable	(11,610)	
Employee advances	(14,319)	
Prepaid expenses	(15,031)	
(Decrease) increase in:		
Accounts payable	15,124	
Grant payable	(6,392)	
Credit card payable	(22,623)	
Fiscal sponsor payable	(4,250)	
Accrued vacation	8,408	
Accrued payroll	26,739	
Deposits	(50)	(1,901,627)

NET CASH PROVIDED BY OPERATING ACTIVITIES \$2,385,978

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	(\$1,498,973)
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NET CASH USED BY INVESTING ACTIVITIES (1,498,973)

NET INCREASE IN CASH \$ 887,005

CASH AT JULY 1, 2015 402,625

CASH AT JUNE 30, 2016 \$1,289,630

INTERNATIONAL DEVELOPMENT EXCHANGE**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2016**

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.

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.

INTERNATIONAL DEVELOPMENT EXCHANGE

NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2016

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. CASH EQUIVALENTS:

For purposes of the statement of cash flows, the organization considers money market funds and other highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Note 4. INVESTMENTS:

The investments consist of equities and mutual funds and are presented in the financial statements at fair value based upon quoted prices and active markets (all Level 1 measurements). Market risk could occur and is dependent on the future changes of the market prices of the various investments held. An analysis of the investments held at June 30, 2016 is as follows:

Common Stocks	\$ 285,265	\$ 268,512
Bonds	320,868	316,514
Mutual funds	<u>958,848</u>	<u>913,947</u>
Total	<u>\$1,564,981</u>	<u>\$1,498,973</u>

Investment income from these investments for the year ended June 30, 2016 as follows:

Interest and dividends	\$ 6,436
Net realized and unrealized gains	<u>66,008</u>
Total	\$72,444

Note 5. NET ASSETS:

Unrestricted Net Assets:

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.

INTERNATIONAL DEVELOPMENT EXCHANGE**NOTES TO FINANCIAL STATEMENTS - JUNE 30, 2016**

Note 6. COMMITMENTS:

The Organization leases office space that on September 30, 2016 was terminated early. Future Lease commitments are as follows for the years ended June 30:

2016	12,853
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The organization had a sublease that expires on September 30, 2016 reverted to a month to month lease. The sublease through 2016 is \$16,050

Note 7. 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 8. 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 9. CREDIT RISK:

The Organization had deposits in excess of federally insured limits. The risk is managed by deposits in high quality financial institutions.

Note 10. SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through February 28, 2017 the date the financial statements were available to be issued.

