

**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**

**FINANCIAL STATEMENTS**

June 30, 2017 and 2016

## CONTENTS

Independent Auditor's Report .....	1
Statements of Financial Position.....	2
Statements of Activities.....	3
Statements of Functional Expenses .....	4
Statements of Cash Flows .....	5
Notes to Financial Statements .....	6



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
ALDEA: Advancing Local Development through Empowerment and Action  
New York, New York

We have audited the accompanying financial statements of ALDEA: Advancing Local Development through Empowerment and Action, which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 ALDEA: Advancing Local Development through Empowerment and Action as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Wegner CPAs LLP*  
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Waukesha, Wisconsin  
August 14, 2017

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**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Cash	\$ 348,053	\$ 309,488
Promises to give	3,275	-
Investments	592,738	556,762
<b>Total assets</b>	<b>\$ 944,066</b>	<b>\$ 866,250</b>
<b>LIABILITIES</b>		
Accrued payroll	\$ -	\$ 3,842
Accrued vacation	2,163	1,868
Deferred revenue	10,040	6,840
Total liabilities	12,203	12,550
<b>NET ASSETS</b>		
Unrestricted	754,518	687,995
Temporarily restricted	177,345	165,705
Total net assets	931,863	853,700
<b>Total liabilities and net assets</b>	<b>\$ 944,066</b>	<b>\$ 866,250</b>

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**  
STATEMENTS OF ACTIVITIES  
Years ended June 30, 2017 and 2016

	2017	2016
<b>UNRESTRICTED NET ASSETS</b>		
<b>SUPPORT AND REVENUE</b>		
Contributions	\$ 528,972	\$ 616,479
Tour income	32,940	17,370
Investment return	56,751	(32,928)
Total unrestricted support and revenue	618,663	600,921
<b>EXPENSES</b>		
Program services	587,100	538,244
Management and general	65,358	50,422
Fundraising	52,233	55,160
Total expenses	704,691	643,826
Net assets released from restrictions	152,551	152,115
Change in unrestricted net assets	66,523	109,210
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	164,191	153,925
Net assets released from restrictions	(152,551)	(152,115)
Change in temporarily restricted net assets	11,640	1,810
<b>Change in net assets</b>	78,163	111,020
Net assets - beginning of year	853,700	742,680
<b>Net assets - end of year</b>	<b>\$ 931,863</b>	<b>\$ 853,700</b>

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**  
STATEMENTS OF FUNCTIONAL EXPENSES  
Years ended June 30, 2017 and 2016

	Program Services	Management and General	Fundraising	2017 Total
Personnel	\$ 34,676	\$ 36,374	\$ 36,374	\$ 107,424
Grants and scholarships	494,988	-	-	494,988
Professional fees	8,426	13,974	426	22,826
Travel	25,100	933	933	26,966
Printing and postage	4,974	-	8,696	13,670
Office	1,558	11,138	-	12,696
Insurance	149	2,213	236	2,598
Conferences and meetings	14,900	152	3,782	18,834
Information technology	2,329	574	1,786	4,689
<b>Total expenses</b>	<b>\$ 587,100</b>	<b>\$ 65,358</b>	<b>\$ 52,233</b>	<b>\$ 704,691</b>
	Program Services	Management and General	Fundraising	2016 Total
Personnel	\$ 27,226	\$ 29,548	\$ 37,999	\$ 94,773
Grants and scholarships	481,664	-	-	481,664
Professional fees	2,000	7,764	-	9,764
Travel	18,419	557	4,318	23,294
Printing and postage	5,272	-	9,598	14,870
Office	920	9,674	-	10,594
Insurance	138	2,082	244	2,464
Conferences and meetings	1,349	225	225	1,799
Information technology	1,256	572	2,776	4,604
<b>Total expenses</b>	<b>\$ 538,244</b>	<b>\$ 50,422</b>	<b>\$ 55,160</b>	<b>\$ 643,826</b>

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**  
STATEMENTS OF CASH FLOWS  
Years ended June 30, 2017 and 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 78,163	\$ 111,020
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized (gain) loss on investments	(52,495)	43,451
Increase in assets		
Promises to give	(3,275)	-
Increase (decrease) in liabilities		
Accrued payroll	(3,842)	1,255
Accrued vacation	295	997
Deferred revenue	3,200	(1,265)
<b>Net cash flows from operating activities</b>	<b>22,046</b>	<b>155,458</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of and interest and dividends retained in investments	(8,584)	(293,069)
Proceeds from sales of investments	25,103	116,964
<b>Net cash flows from investing activities</b>	<b>16,519</b>	<b>(176,105)</b>
<b>Change in cash</b>	<b>38,565</b>	<b>(20,647)</b>
Cash - beginning of year	309,488	330,135
<b>Cash - end of year</b>	<b>\$ 348,053</b>	<b>\$ 309,488</b>

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016

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ALDEA: Advancing Local Development through Empowerment and Action (ALDEA) strengthens and expands processes of community development and participation that enhances people's lives. ALDEA works in respectful partnership with Mayan Guatemalans to have a positive impact on the problems associated with Guatemala's history of violence against indigenous populations, natural disasters, poverty, illiteracy and disastrously high rates of infant and maternal death. ALDEA supports sustainable development initiatives that strive to improve the health and well-being of particularly vulnerable sectors of society. ALDEA also promotes through experience-based education an understanding of the principles of participatory community development and the conditions under which it is most effective.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

ALDEA is required to report information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net assets*—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

*Temporarily restricted net assets*—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

*Permanently restricted net assets*—Net assets that have been restricted by donors to be maintained by ALDEA in perpetuity.

**Promises to Give**

Unconditional promises to give are recognized as support or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give at June 30, 2017 are receivable within one year.

**Investments**

ALDEA carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Realized and unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.



**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Contributions**

All contributions are considered available for ALDEA's general use unless specifically restricted by the donor. Contributions restricted by the donor are reported as increases in temporarily or permanently restricted net assets. Contributions received with temporary restrictions that are met in the reporting period in which the support is recognized are reported as increases unrestricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

**Expense Allocation**

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. ALDEA's program services include partnering with the Association BPD to provide grants to Mayan communities in rural Guatemala. Grants are provided in order to implement the integrated approach which works to decrease the high rate of chronic childhood malnutrition by bringing running water to communities and homes to prevent infectious diseases, building vented stoves to prevent burns and deforestation, improving sanitary conditions with gray water filters and latrines, and empowering women to combat chronic malnutrition. In addition, ALDEA also conducts guided tours of Guatemala to bring awareness of the region to participants.

**Income Tax Status**

ALDEA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, ALDEA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Estimates**

The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Date of Management's Review**

Management has evaluated subsequent events through August 14, 2017, the date which the financial statements were available to be issued.

**Reclassifications**

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016

NOTE 2 – INVESTMENTS

Investments at June 30, 2017 and 2016 consist of the following:

	2017	2016
Money market funds	\$ 132,466	\$ 160,915
Exchange traded funds	227,393	184,657
Equities	-	15,728
Mutual funds	232,879	195,462
Investments	\$ 592,738	\$ 556,762

Investment return for the years ended June 30, 2017 and 2016 consisted of the following:

	2017	2016
Interest and dividends	\$ 10,063	\$ 15,975
Net realized and unrealized gain (loss)	52,495	(43,451)
Investment fees	(5,807)	(5,452)
Investment return	\$ 56,751	\$ (32,928)

NOTE 3 – FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis at June 30, 2017 and 2016 is as follows:

	Fair Value	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Exchange traded funds	\$ 227,393	\$ 227,393	\$ -	\$ -
Mutual funds	232,879	232,879	-	-
Total - 2017	\$ 460,272	\$ 460,272	\$ -	\$ -
Exchange traded funds	\$ 184,657	\$ 184,657	\$ -	\$ -
Equities	15,728	15,728	-	-
Mutual funds	195,462	195,462	-	-
Total - 2016	\$ 395,847	\$ 395,847	\$ -	\$ -

Fair values for exchange traded funds, equities, and mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions.

**ALDEA: ADVANCING LOCAL DEVELOPMENT  
THROUGH EMPOWERMENT AND ACTION**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016

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**NOTE 4 – CONCENTRATIONS OF CREDIT RISK**

ALDEA maintains its cash balances in one financial institution located in New York. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2017 and 2016, ALDEA's uninsured cash balances total \$100,916 and \$60,837.

**NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2017 and 2016 are available for the following purposes:

	2017	2016
Water projects	\$ 30,596	\$ -
Scholarships	8,326	8,866
Agriculture/nutrition projects	131,514	137,853
Community empowerment	-	7,112
Latrines	653	651
Family planning	-	10,473
Stoves	6,256	750
Temporarily restricted net assets	\$ 177,345	\$ 165,705

**NOTE 6 – CONDITIONAL PROMISE TO GIVE**

In February 2016, ALDEA received a promise to give over three years, conditioned upon ALDEA implementing and working on specific projects in Guatemala. As of June 30, 2017, \$80,000 of the promise to give has been recorded as support.

**NOTE 7 – RETIREMENT PLAN**

ALDEA maintains a Simplified Employee Pension plan for all full-time employees. Employer contributions are discretionary and employees are fully vested upon participation in the plan. Retirement expense for the years ended June 30, 2017 and 2016 were \$4,990 and \$4,711