

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

FINANCIAL STATEMENTS

June 30, 2018 and 2017

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, 2018 and 2017, 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, 2018 and 2017, 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

Wegner CPAs, LLP
Waukesha, Wisconsin
August 21, 2018

Janesville Office:
101 E. Milwaukee Street
Suite 425
Janesville, WI 53545
P: (608) 756-4020

Baraboo Office:
123 Second Street
P.O. Box 150
Baraboo, WI 53913
P: (608) 356-3966
F: (608) 356-2966

Milwaukee Office:
W229 N1433 Westwood Drive
Suite 105
Waukesha, WI 53186
P: (262) 522-7555
F: (262) 522-7550

Madison Office:
2921 Landmark Place
Suite 300
Madison, WI 53713
P: (608) 274-4020 F:
(608) 308-1616

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF FINANCIAL POSITION
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash	\$ 384,821	\$ 348,053
Unconditional promises to give	28,327	3,275
Investments	620,206	592,738
Total assets	\$ 1,033,354	\$ 944,066
LIABILITIES		
Accrued payroll	\$ 4,908	\$ -
Accrued vacation	2,374	2,163
Deferred revenue	20,505	10,040
Total liabilities	27,787	12,203
NET ASSETS		
Unrestricted	803,681	754,518
Temporarily restricted	201,886	177,345
Total net assets	1,005,567	931,863
Total liabilities and net assets	\$ 1,033,354	\$ 944,066

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF ACTIVITIES
Years ended June 30, 2018 and 2017

	2018	2017
UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Contributions	\$ 541,504	\$ 528,972
Tour income	23,150	32,940
Investment return	41,141	56,751
Total unrestricted support and revenue	605,795	618,663
EXPENSES		
Program services	597,909	587,100
Management and general	80,134	65,358
Fundraising	43,185	52,233
Total expenses	721,228	704,691
Net assets released from restrictions	164,596	152,551
Change in unrestricted net assets	49,163	66,523
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	189,137	164,191
Net assets released from restrictions	(164,596)	(152,551)
Change in temporarily restricted net assets	24,541	11,640
Change in net assets	73,704	78,163
Net assets - beginning of year	931,863	853,700
Net assets - end of year	\$ 1,005,567	\$ 931,863

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended June 30, 2018 and 2017

	Program Services	Management and General	Fundraising	2018 Total
Personnel	\$ 44,441	\$ 48,316	\$ 26,559	\$ 119,316
Grants and scholarships	512,153	-	-	512,153
Professional fees	4,263	16,087	7,203	27,553
Travel	25,027	713	713	26,453
Printing and postage	5,247	-	4,967	10,214
Office	1,272	11,531	897	13,700
Insurance	293	2,262	284	2,839
Conferences and meetings	3,122	196	1,430	4,748
Information technology	2,091	1,029	1,132	4,252
Total expenses	\$ 597,909	\$ 80,134	\$ 43,185	\$ 721,228
	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
Total expenses	\$ 587,100	\$ 65,358	\$ 52,233	\$ 704,691

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF CASH FLOWS
Years ended June 30, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 73,704	\$ 78,163
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gain on investments	(33,421)	(52,495)
Increase in assets		
Unconditional promises to give	(25,052)	(3,275)
Increase (decrease) in liabilities		
Accrued payroll	4,908	(3,842)
Accrued vacation	211	295
Deferred revenue	10,465	3,200
Net cash flows from operating activities	30,815	22,046
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest and dividends retained in investments	(47,720)	(8,584)
Proceeds from sales of investments	53,673	25,103
Net cash flows from investing activities	5,953	16,519
Change in cash	36,768	38,565
Cash - beginning of year	348,053	309,488
Cash - end of year	\$ 384,821	\$ 348,053

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

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.

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, 2018 and 2017

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 in 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 21, 2018, the date which the financial statements were available to be issued.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
NOTES TO FINANCIAL STATEMENTS
June 30, 2018 and 2017

NOTE 2 – INVESTMENTS

Investments at June 30, 2018 and 2017 consist of the following:

	2018	2017
Money market funds	\$ 143,041	\$ 132,466
Exchange traded funds	239,414	227,393
Mutual funds	237,751	232,879
Investments	\$ 620,206	\$ 592,738

Investment return for the years ended June 30, 2018 and 2017 consisted of the following:

	2018	2017
Interest and dividends	\$ 13,825	\$ 10,063
Net realized and unrealized gain	33,421	52,495
Investment fees	(6,105)	(5,807)
Investment return	\$ 41,141	\$ 56,751

NOTE 3 – FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis at June 30, 2018 and 2017 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	\$ 239,414	\$ 239,414	\$ -	\$ -
Mutual funds	237,751	237,751	-	-
Total - 2018	\$ 477,165	\$ 477,165	\$ -	\$ -
Exchange traded funds	\$ 227,393	\$ 227,393	\$ -	\$ -
Mutual funds	232,879	232,879	-	-
Total - 2017	\$ 460,272	\$ 460,272	\$ -	\$ -

Fair values for exchange traded funds 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, 2018 and 2017

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, 2018 and 2017, ALDEA's uninsured cash balances total \$135,069 and \$100,916.

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2018 and 2017 are available for the following purposes:

	2018	2017
Water projects	\$ 2,487	\$ 30,596
Scholarships	8,326	8,326
Agriculture/nutrition projects	131,830	131,514
Development of Guatemalen communities	56,393	-
Latrines	-	653
Stoves	2,850	6,256
Temporarily restricted net assets	\$ 201,886	\$ 177,345

NOTE 6 – PROMISES TO GIVE

Unconditional Promises to Give

Unconditional promises to give at June 30, 2018 and 2017 consist of the following:

	2018	2017
Receivable in less than one year	\$ 3,330	\$ 3,275
Receivable in one to five years	24,997	-
Unconditional promises to give	\$ 28,327	\$ 3,275

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, 2018, the full \$120,000 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, 2018 and 2017 were \$5,242 and \$4,990.