

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

FINANCIAL STATEMENTS

June 30, 2015 and 2014

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, 2015 and 2014, 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, 2015 and 2014, 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
Pewaukee, Wisconsin
August 11, 2015

New York Office:

230 Park Avenue, 10th Floor
New York, NY 10146
P: (212) 551-1724
F: (262) 522-7550

Washington DC Office:

400 North Washington Street
Second Floor
Alexandria, VA 22314
P: (703) 519-0990

Wisconsin Office:

2110 Luann Lane
Madison, WI 53713
P: (608) 274-4020
F: (608) 274-0775

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

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

| | 2015 | 2014 |
|---|-------------------|-------------------|
| ASSETS | | |
| Cash | \$ 330,135 | \$ 211,453 |
| Investments | 424,108 | 420,691 |
| Total assets | <u>\$ 754,243</u> | <u>\$ 632,144</u> |
| LIABILITIES | | |
| Accounts payable | \$ - | \$ 3,203 |
| Accrued payroll | 2,587 | 2,143 |
| Accrued vacation | 871 | 780 |
| Deferred revenue | 8,105 | - |
| Total liabilities | 11,563 | 6,126 |
| NET ASSETS | | |
| Unrestricted | 578,785 | 469,160 |
| Temporarily restricted | 163,895 | 156,858 |
| Total net assets | <u>742,680</u> | <u>626,018</u> |
| Total liabilities and net assets | <u>\$ 754,243</u> | <u>\$ 632,144</u> |

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF ACTIVITIES
Years ended June 30, 2015 and 2014

| | 2015 | 2014 |
|---|-------------------|-------------------|
| UNRESTRICTED NET ASSETS | | |
| SUPPORT AND REVENUE | | |
| Contributions | \$ 648,356 | \$ 423,993 |
| Tour income | 17,995 | 16,215 |
| Investment return | (17,448) | 68,405 |
| Total unrestricted support and revenue | 648,903 | 508,613 |
| EXPENSES | | |
| Program services | 458,273 | 408,563 |
| Management and general | 51,160 | 40,542 |
| Fundraising | 47,325 | 73,357 |
| Total expenses | 556,758 | 522,462 |
| Net assets released from restrictions | 17,480 | 15,127 |
| Change in unrestricted net assets | 109,625 | 1,278 |
| TEMPORARILY RESTRICTED NET ASSETS | | |
| Contributions | 24,517 | 55,565 |
| Net assets released from restrictions | (17,480) | (15,127) |
| Change in temporarily restricted net assets | 7,037 | 40,438 |
| Change in net assets | 116,662 | 41,716 |
| Net assets - beginning of year | 626,018 | 584,302 |
| Net assets - end of year | \$ 742,680 | \$ 626,018 |

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended June 30, 2015 and 2014

| | Program Services | Management and General | Fundraising | 2015 Total |
|--------------------------|---------------------|---------------------------|------------------|-------------------|
| Personnel | \$ 24,954 | \$ 23,163 | \$ 30,802 | \$ 78,919 |
| Grants and scholarships | 399,578 | - | - | 399,578 |
| Professional fees | 1,860 | 9,511 | - | 11,371 |
| Travel | 16,835 | 680 | 1,496 | 19,011 |
| Printing and postage | 6,032 | - | 11,842 | 17,874 |
| Office | 3,794 | 15,000 | 627 | 19,421 |
| Insurance | 123 | 1,916 | 166 | 2,205 |
| Conferences and meetings | 901 | 150 | 150 | 1,201 |
| Information technology | 4,196 | 740 | 2,242 | 7,178 |
| Total expenses | \$ 458,273 | \$ 51,160 | \$ 47,325 | \$ 556,758 |

| | Program Services | Management and General | Fundraising | 2014 Total |
|--------------------------|---------------------|---------------------------|------------------|-------------------|
| Personnel | \$ 11,461 | \$ 14,942 | \$ 52,442 | \$ 78,845 |
| Grants and scholarships | 371,430 | - | - | 371,430 |
| Professional fees | - | 6,738 | - | 6,738 |
| Travel | 13,367 | 1,798 | 1,852 | 17,017 |
| Printing and postage | 5,839 | 408 | 15,530 | 21,777 |
| Office | 2,647 | 12,911 | - | 15,558 |
| Insurance | - | 1,962 | - | 1,962 |
| Conferences and meetings | 1,322 | 1,322 | 1,362 | 4,006 |
| Information technology | 2,497 | 461 | 2,171 | 5,129 |
| Total expenses | \$ 408,563 | \$ 40,542 | \$ 73,357 | \$ 522,462 |

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
STATEMENTS OF CASH FLOWS
Years ended June 30, 2015 and 2014

| | 2015 | 2014 |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 116,662 | \$ 41,716 |
| Adjustments to reconcile change in net assets to net cash flows from operating activities | | |
| Donated stock | (21,804) | - |
| Net realized and unrealized (gain) loss on investments | 23,970 | (59,893) |
| Increase (decrease) in liabilities | | |
| Accounts payable | (3,203) | 3,203 |
| Accrued payroll | 444 | 2,143 |
| Accrued vacation | 91 | 780 |
| Deferred revenue | 8,105 | (300) |
| Net cash flows from operating activities | 124,265 | (10,726) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sales of donated stock | 21,547 | - |
| Purchases of and interest retained in investments | (153,297) | (9,291) |
| Proceeds from sales of investments | 126,167 | - |
| Net cash flows from investing activities | (5,583) | (9,291) |
| Change in cash | 118,682 | (20,017) |
| Cash - beginning of year | 211,453 | 231,470 |
| Cash - end of year | \$ 330,135 | \$ 211,453 |
| SUPPLEMENTAL DISCLOSURES | | |
| Noncash investing transactions | | |
| Donated stock | \$ 21,804 | \$ - |

See accompanying notes.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

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.

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.

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 revenue 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.

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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). ALDEA's federal exempt organization returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed. With few exceptions, ALDEA is no longer subject to such examinations for tax years before 2011.

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 11, 2015, the date which the financial statements were available to be issued.

NOTE 2 – INVESTMENTS

Investments consist of the following at June 30, 2015 and 2014:

| | <u>2015</u> | <u>2014</u> |
|-----------------------|-------------------|-------------------|
| Money market funds | \$ 92,046 | \$ 7,815 |
| Exchange traded funds | <u>332,062</u> | <u>412,876</u> |
| Investments | <u>\$ 424,108</u> | <u>\$ 420,691</u> |

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 2 – INVESTMENTS (continued)

Investment return for the years ended June 30, 2015 and 2014 consisted of the following:

| | <u>2015</u> | <u>2014</u> |
|---|--------------------|------------------|
| Interest and dividends | \$ 6,522 | \$ 8,512 |
| Net realized and unrealized gain (loss) | <u>(23,970)</u> | <u>59,893</u> |
| Investment return | <u>\$ (17,448)</u> | <u>\$ 68,405</u> |

NOTE 3 – FAIR VALUE MEASUREMENTS

Fair value of assets measured on a recurring basis at June 30, 2015 and 2014 is as follows:

| | <u>Fair Value</u> | <u>Quoted Price in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|---------------------------------|-------------------|--|--|--|
| Exchange traded funds - 2015 | <u>\$ 332,062</u> | <u>\$ 332,062</u> | <u>\$ -</u> | <u>\$ -</u> |
| Exchange traded funds - 2014 | <u>\$ 412,876</u> | <u>\$ 412,876</u> | <u>\$ -</u> | <u>\$ -</u> |

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

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30, 2015 and 2014:

| | <u>2015</u> | <u>2014</u> |
|-----------------------------------|-------------------|-------------------|
| Water projects | \$ 12,350 | \$ 10,044 |
| Scholarships | 9,045 | 11,220 |
| Agriculture/nutrition projects | 140,100 | 118,636 |
| Strong Family Centers | - | 1,376 |
| Latrines | 677 | 13,236 |
| Family planning | 30 | 1,400 |
| Stoves | <u>1,693</u> | <u>946</u> |
| Temporarily restricted net assets | <u>\$ 163,895</u> | <u>\$ 156,858</u> |

**ALDEA: ADVANCING LOCAL DEVELOPMENT
THROUGH EMPOWERMENT AND ACTION**
NOTES TO FINANCIAL STATEMENTS
June 30, 2015 and 2014

NOTE 5 – CONCENTRATION 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, 2015, ALDEA's uninsured cash balances total \$84,119.