



**JOINT DEVELOPMENT ASSOCIATES
INTERNATIONAL, INC.**

FINANCIAL STATEMENTS
With Independent Auditors' Report

December 31, 2014 and 2013

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Joint Development Associates International, Inc.
Grand Junction, Colorado

We have audited the accompanying financial statements of Joint Development Associates International, Inc., which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities 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.

Auditors' 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.

Board of Directors
Joint Development Associates International, Inc.
Grand Junction, Colorado

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Joint Development Associates International, Inc., as of December 31, 2014 and 2013, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

Colorado Springs, Colorado
April 22, 2015

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Financial Position

	December 31,	
	2014	2013
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 170,533	\$ 235,092
Accounts receivable	113,323	52,090
Prepaid expenses	13,200	2,110
	297,056	289,292
Property and equipment–net	4,452	8,622
	\$ 301,508	\$ 297,914
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 15,718	\$ 15,275
Line of credit	91,934	-
	107,652	15,275
Net assets:		
Unrestricted:		
Operating	81,448	183,834
Equity in property and equipment	4,452	8,622
	85,900	192,456
Temporarily restricted	107,956	90,183
	193,856	282,639
	\$ 301,508	\$ 297,914

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Activities

	Year Ended December 31,					
	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Federal contract revenue	\$ 372,077	\$ -	\$ 372,077	\$ 581,978	\$ -	\$ 581,978
Contributions and donations	12,659	275,099	287,758	14,211	252,275	266,486
Gain on sale of assets	-	-	-	-	-	-
Rent and fee revenues	1,313	-	1,313	10,097	-	10,097
Miscellaneous revenue	7,784	-	7,784	7,067	-	7,067
Total Support and Revenue	393,833	275,099	668,932	613,353	252,275	865,628
NET ASSETS RELEASED:						
Purpose restrictions	257,326	(257,326)	-	166,142	(166,142)	-
EXPENSES:						
Program services:						
Agriculture	339,499	-	339,499	549,710	-	549,710
Water development	237,865	-	237,865	112,162	-	112,162
Project development	11,056	-	11,056	6,899	-	6,899
Education	3,732	-	3,732	5,741	-	5,741
	592,152	-	592,152	674,512	-	674,512
Supporting activities:						
General and administrative	162,386	-	162,386	142,778	-	142,778
Fundraising	3,177	-	3,177	3,180	-	3,180
Total Expenses	757,715	-	757,715	820,470	-	820,470
Change in Net Assets	(106,556)	17,773	(88,783)	(40,975)	86,133	45,158
Net Assets, Beginning of Year	192,456	90,183	282,639	233,431	4,050	237,481
Net Assets, End of Year	\$ 85,900	\$ 107,956	\$ 193,856	\$ 192,456	\$ 90,183	\$ 282,639

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Cash Flows

	Year Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (88,783)	\$ 45,158
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,170	3,828
Change in operating assets and liabilities:		
Accounts receivable	(61,233)	67,199
Prepaid expenses	(11,090)	5,090
Accounts payable and accrued expenses	443	(25,570)
Net Cash Provided (Used) by Operating Activities	(156,493)	95,705
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	-	(6,850)
Net Cash Provided (Used) by Investing Activities	-	(6,850)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in line of credit	91,934	-
Net Cash Used by Financing Activities	91,934	-
Change in Cash and Cash Equivalents	(64,559)	88,855
Cash and Cash Equivalents, Beginning of Year	235,092	146,237
Cash and Cash Equivalents, End of Year	\$ 170,533	\$ 235,092

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2014 and 2013

1. NATURE OF ORGANIZATION:

Joint Development Associates International, Inc. (JDA) is dedicated to assist in the transformational development of local communities by helping initiate and implement projects in areas of agriculture development, clean water, poverty alleviation, infrastructure development, community health education, and emergency aid and relief. JDA believes each person has unique creative abilities to make a difference in their lives, in their families, in their communities, and in their nation, and JDA seeks to empower these individuals and communities to tap into this creative potential by facilitating community projects through organizational and technical support.

The following programs provide an overview of JDA's recent involvement in northern Afghanistan during 2014:

Agriculture Development

- **University Capacity Building:**

JDA has been working at the Balkh University Faculty of Agriculture since 2005. JDA has trained staff to deliver laboratories in soil science and plant biology topics and is providing these lab courses to all senior students in the agriculture program. Improvements have also been made to the faculty farm for student and teacher practical field application by building an enclosure, a well, toilet facilities, a farm manager's office, tool sheds, greenhouses and by providing tools and training. Students are exposed to improved and alternative agricultural practices through field visits to the JDA research farm and development center. Student interns are hired to be trained in and help manage agricultural projects. English language learning opportunities are provided to agriculture students and faculty members.

- **Farmer Training and Crop Demonstration:**

JDA started off the year with limited activity in Agriculture. After two years of proposal writing and waiting, USAID approved a program called Regional Agriculture Development Program (RADP) in northern Afghanistan. In the fall, a partnership contract was signed between JDA and Development Alternatives International (DAI) and planning was the primary activity. It is a five year program that seeks to improve market linkages among farmers, agri-businesses and consumers. Together with DAI, we will work to ensure that farmers better understand options of improved technologies that can result in greater yields. JDA endeavors to increase productivity of 85,000 farmers by 25%.

- **Two-Wheel Tractors:**

In 2005, JDA pioneered the work of two-wheel tractors and implements, imported from China, and has seen a steady increase of use and change in attitudes for mechanization. Typical farmers are heavily resistant to change and new ideas but more and more JDA is seeing improved planting and farm productivity as the result of appropriate mechanization. Farmers are starting to see that these small units can become small businesses as they rent themselves with their tractors out to other farmers.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2014 and 2013

1. NATURE OF ORGANIZATION, continued:

Water, Sanitation, and Hygiene (WASH) and Bliss (Birth Life Savings Skills)

JDA continues to promote a water, sanitation and hygiene (WASH) project that proposes to 1) increase Afghan business' capacity to conduct WASH development, 2) equip a Development Center for training, 3) improve community wellbeing through WASH interventions, and 4) educate local schools in WASH principles and provision of clean water through new wells and handpump and biosand filters.

A BLiSS (Birth Life Saving Skills) component was added to the WASH program in 2012. It teaches women how to provide basic but essential first aid around pregnancy, birth, and newborn care. BLiSS courses are home-based, participatory learning sessions taught by women for women. Designed for an illiterate population, lessons are shown in images and drawings. Female teachers share knowledge about basic care during pregnancy, how to spot warning signs during birth, and how to intervene in potentially life-threatening circumstances.

The JDA Water Access Sanitation and Hygiene (WASH) program began in 2009 and has since worked with 20 communities with 19,580 beneficiaries gaining access to safe water. 8,226 women have been trained in hygiene education and 52 wells drilled and hand-pumps fitted. Our WASH development project is working in partnership with communities to improve the water, sanitation and hygiene practices of community members. Birth Life Saving Skills (BLiSS) curriculum directly applies the principles and practice of WASH to one of the most urgent health concerns in Afghanistan—mother/child health. In Schools: In our ongoing efforts to promote the importance of hygiene and hand washing, a puppetry program in schools was initiated. The goal of this program is to make children aware of the importance of personal hygiene and how it affects their daily lives through a fun and interactive way. This program educates students on hand washing, diarrhea, and the use of safe water. One of our biggest successes in 2014 was reaching more than one thousand students within three days with the hygiene message. The presence of a hand washing facility is critical in getting students to wash their hands after each toilet use and contact with unclean surfaces. JDA installed sinks with 144 liter capacity and 650 liter capacity drinking water stations at each school where the puppet shows were hosted.

In Kuchi Communities: Continuing education in the Kuchi communities (a nomadic people) in Balkh district has been more successful than expected and is now fully incorporated into our WASH program. Two Kuchi Trainers of Trainers have been educated in Birth Life Saving Skills (BLiSS), successfully engaging more of the community in WASH initiatives.

Water Points: JDA was able to provide 20 safe-water access points (water wells, properly covered and equipped with hand pumps) in 13 villages in northern Afghanistan.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2014 and 2013

1. NATURE OF ORGANIZATION, continued:

Relief Work

In April 2014, northern Afghanistan suffered major floods that left thousands of people without a home. More than 90,000 are estimated to have been affected by the heavy rains that swept through. With the help of our generous donors, JDA was able to lend a hand and provide safe clean water to the most remote villages where the government could not supply trucked water to the affected. Water was provided through the purchase and distribution of Sawyer PointONE Filters attached to a 20-liter bucket. Distribution took place in the northern villages of Baghlan and Sar-e-Pol. The most affected population of the areas were identified with the help of the Ministry of Economy and Rural Rehabilitation and Development. Filters were provided to about 374 families, benefiting over 2,000 people including women, men, children and disabled. JDA staff ensured that the beneficiaries were properly trained and fully understood how to operate the filter for best use. The distribution of these filters made clean water available, preventing sickness from harmful bacteria and water borne diseases.

Staffing

JDA in both Afghanistan and the US has a total of about 60 employees: four at the US office; and in Afghanistan, 50 Afghan professionals and support staff as well as six expatriates who are managing administration or providing short-term consultancies.

JDA's support comes from federal contract revenue, individual donor contributions, and grants from sponsor organizations. The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal and state income tax. Contributions to JDA are tax deductible to donors under Section 170(c)(3) of the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

JDA maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were assumed in preparing the financial statements. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CASH AND CASH EQUIVALENTS

JDA considers all highly liquid instruments with maturities less than three months to be cash and cash equivalents. These accounts may, at times, exceed federally insured limits; however, JDA has not experienced any losses on these accounts and does not believe it is exposed to any significant credit risk.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ACCOUNTS RECEIVABLE

JDA's accounts receivable are due from the United States government as a result of a contract agreement and a grant agreement and are recorded at estimated net realizable value in the period in which they are earned. Management reviews the receivables periodically and provides an allowance for uncollectible accounts at a level which, in management's judgment, is adequate to absorb potential losses inherent from uncollectible receivables. The full amount of the accounts receivable were received subsequent to the years ended December 31, 2014 and 2013, therefore, an allowance for doubtful accounts has not been recorded as of December 31, 2014 and 2013, respectively.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, or if donated, at the estimated fair market value at the date of donation. Property donated with restrictions regarding its use and contributions of cash to acquire property are reported as restricted support. Absent any donor stipulations, these restrictions expire when the asset is acquired or placed in service, and a reclassification is made from temporarily restricted net assets to unrestricted net assets at that time. Depreciation is recorded using the straight-line method over estimated useful lives of 5 years. Property and equipment purchases exceeding \$5,000 are capitalized.

NET ASSETS

The net assets of JDA are reported according to class as follows:

Unrestricted net assets are those currently available for operating purposes under the direction of the board and those resources invested in property and equipment.

Temporarily restricted net assets are those contributed with donor stipulations for specific operating purposes and programs, including staff support, WASH projects, and flood relief.

SUPPORT AND REVENUE

Federal contract and grant revenue is recognized when earned. Support is recorded when contributions are made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor or grantor.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when costs are incurred. The costs of providing various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, costs related to more than one function, such as payroll expenses, have been allocated among the program services and supporting activities benefited.

UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of December 31, 2014, JDA had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

JDA's federal Exempt Organization Business Income Tax Returns (Form 990) for the years ended December 31, 2013, 2012, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

3. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consist of:

	December 31,	
	2014	2013
Vehicles	\$ 27,720	\$ 27,720
Furniture and equipment	18,345	18,345
	<u>46,065</u>	<u>46,065</u>
Less: Accumulated depreciation	<u>(41,613)</u>	<u>(37,443)</u>
	<u>\$ 4,452</u>	<u>\$ 8,622</u>

4. LINE OF CREDIT:

JDA has a \$100,000 revolving line of credit agreement with no maturity date. It is personally guaranteed by the president of the JDA. As of December 31, 2014, the interest rate was 6.25% and the outstanding balance was \$91,934. As of December 31, 2013, the interest rate was 5.25% and the outstanding balance was \$0. JDA was in compliance with the line of credit covenants as of December 31, 2014 and 2013.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2014 and 2013

5. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

	December 31,	
	2014	2013
WASH program	\$ 107,956	\$ 84,243
Staff support	-	5,940
	<u>\$ 107,956</u>	<u>\$ 90,183</u>

6. RELATED PARTY:

An officer of JDA is the CEO of OH Afghanistan, Inc. (OHA) which operates in selling agriculture machinery and supplies to help support the work of JDA in Afghanistan. During the years ended December 31, 2014 and 2013, JDA paid OHA for well drilling materials and services as well as Sawyer PointONE water filters in the amount of \$41,992 and \$0, respectively. During the year ended December 31, 2013, JDA purchased \$6,850 of property and equipment from OHA.

An officer of JDA is also the General Manager of Lifetech International, LLC (LT) and the CEO of Global Business Resources, Inc. (GBR). During the years ended December 31, 2014 and 2013, JDA received fees and services and other income from LT in the amount of \$0 and \$7,217, respectively. There were no transactions with GBR for the years ended December 31, 2014 and 2013.

JDA has a note receivable from an employee with an outstanding balance of \$5,600 and \$0 as of December 31, 2014 and 2013, respectively. An allowance has not been recorded since JDA expects to receive the balance in full.

7. FOREIGN OPERATIONS:

In connection with its foreign project, JDA maintains programs and supporting facilities and services in various countries outside the United States. For the years ended December 31, 2014 and 2013, assets in other countries totaled approximately \$30,995 and \$24,124, respectively, and liabilities in other countries were approximately \$12,846 and \$12,462, respectively. Total public support and revenue received from foreign sources totaled approximately \$72,758 and \$55,433 for the years ended December 31, 2014 and 2013, respectively. The account balances relating to foreign operations are reflected in the financial statements in United States dollars.

The large majority of JDA's operations occur in Afghanistan, which continues to undergo significant political, economic, and social change. In this environment, unforeseen events could disrupt JDA's operations. The geographic concentration of JDA's operations in Afghanistan also makes them vulnerable to the risk of lost support. The accompanying financial statements do not include adjustments for these risks, nor for the effects that their realization would have on the ability of JDA to continue its operations or to recover its assets located in Afghanistan, as the effects of these risks are not possible to reasonably estimate.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2014 and 2013

8. CONCENTRATIONS:

JDA received federal contract revenue from the U.S. government for use in Afghanistan of \$581,978, from one organization, during the year ended December 31, 2013. This support and revenue accounted for approximately 67% of total support and revenue during the year ended December 31, 2013. As this contract was not renewed for the year ended December 31, 2014, JDA reduced operations in Afghanistan to only allow for privately funded operations. On August 14, 2014, JDA entered into a subcontract agreement with DAI who in turn has contracted with the U.S. government to implement the Regional Agricultural Development Program in north Afghanistan. JDA is subcontracting with DAI to promote the wheat value chain in Afghanistan. The period of performance on the cost plus fixed fee subcontract is from August 2014 to May 2019 and has a not-to-exceed value of \$6,733,103. For the year ended December 31, 2014, JDA has recognized revenue of approximately \$208,000 on this subcontract which accounted for approximately 31% of total support and revenue.

9. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION**

Board of Directors
Joint Development Associates International, Inc.
Grand Junction, Colorado

We have audited the financial statements of Joint Development Associates International, Inc., as of and for the years ended December 31, 2014 and 2013, and our report thereon dated April 22, 2015, which expresses an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are 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.

Capin Crouse LLP

Colorado Springs, Colorado
April 22, 2015

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statement of Functional Expenses

Year Ended December 31, 2014

	Program Services				Total Program	Supporting Activities		Total
	Agriculture	Water Development	Project Development	Education		Management and General	Fundraising	
Salaries and related expenses	\$ 208,497	\$ 133,996	\$ 10,955	\$ 3,716	\$ 357,164	\$ 109,308	\$ 3,177	\$ 469,649
Travel and transport	28,348	20,223	101	-	48,672	17,116	-	65,788
Office and occupancy	33,130	14,835	-	16	47,981	35,962	-	83,943
Training services	5,888	839	-	-	6,727	-	-	6,727
Equipment and materials	61,134	66,304	-	-	127,438	-	-	127,438
Depreciation expense	2,502	1,668	-	-	4,170	-	-	4,170
	<u>\$ 339,499</u>	<u>\$ 237,865</u>	<u>\$ 11,056</u>	<u>\$ 3,732</u>	<u>\$ 592,152</u>	<u>\$ 162,386</u>	<u>\$ 3,177</u>	<u>\$ 757,715</u>

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statement of Functional Expenses

Year Ended December 31, 2013

	Program Services				Total Program	Supporting Activities		Total
	Agriculture	Water Development	Project Development	Education		Management and General	Fundraising	
Salaries and related expenses	\$ 282,020	\$ 54,034	\$ 2,516	\$ -	\$ 338,570	\$ 99,946	\$ 3,180	\$ 441,696
Travel and transport	82,563	12,352	33	300	95,248	8,270	-	103,518
Office and occupancy	49,512	6,392	3,142	3,452	62,498	27,431	-	89,929
Training services	73,066	908	975	1,507	76,456	-	-	76,456
Employee benefits	58,748	9,368	-	215	68,331	7,131	-	75,462
Equipment and materials	255	29,108	218	-	29,581	-	-	29,581
Depreciation expense	3,546	-	15	267	3,828	-	-	3,828
	<u>\$ 549,710</u>	<u>\$ 112,162</u>	<u>\$ 6,899</u>	<u>\$ 5,741</u>	<u>\$ 674,512</u>	<u>\$ 142,778</u>	<u>\$ 3,180</u>	<u>\$ 820,470</u>