



**JOINT DEVELOPMENT ASSOCIATES
INTERNATIONAL, INC.**

FINANCIAL STATEMENTS
With Independent Auditors' Report

December 31, 2015 and 2014

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, 2015 and 2014, 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, 2015 and 2014, 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, 2016

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Financial Position

	December 31,	
	2015	2014
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 55,675	\$ 170,533
Accounts receivable	264,211	113,323
Prepaid expenses	29,745	13,200
	349,631	297,056
Property and equipment—net	3,082	4,452
	\$ 352,713	\$ 301,508
LIABILITIES AND NET ASSETS:		
Current liabilities:		
Accounts payable and accrued expenses	\$ 70,705	\$ 15,718
Lines of credit	106,000	91,934
	176,705	107,652
Net assets:		
Unrestricted:		
Operating	165,501	81,448
Equity in property and equipment	3,082	4,452
	168,583	85,900
Temporarily restricted—WASH program	7,425	107,956
	176,008	193,856
	\$ 352,713	\$ 301,508

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Activities

	Year Ended December 31,					
	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Federal contract revenue	\$ 1,219,186	\$ -	\$ 1,219,186	\$ 372,077	\$ -	\$ 372,077
Contributions and donations	32,808	116,044	148,852	12,659	275,099	287,758
Rent and fee revenues	-	-	-	1,313	-	1,313
Miscellaneous revenue	9,232	-	9,232	7,784	-	7,784
Total Support and Revenue	1,261,226	116,044	1,377,270	393,833	275,099	668,932
NET ASSETS RELEASED:						
Purpose restrictions	216,575	(216,575)	-	257,326	(257,326)	-
EXPENSES:						
Program services:						
Agriculture	954,421	-	954,421	339,499	-	339,499
Water development	197,269	-	197,269	237,865	-	237,865
Project development	2,500	-	2,500	11,056	-	11,056
Education	4,238	-	4,238	3,732	-	3,732
	1,158,428	-	1,158,428	592,152	-	592,152
Supporting activities:						
General and administrative	233,262	-	233,262	162,386	-	162,386
Fundraising	3,428	-	3,428	3,177	-	3,177
Total Expenses	1,395,118	-	1,395,118	757,715	-	757,715
Change in Net Assets	82,683	(100,531)	(17,848)	(106,556)	17,773	(88,783)
Net Assets, Beginning of Year	85,900	107,956	193,856	192,456	90,183	282,639
Net Assets, End of Year	\$ 168,583	\$ 7,425	\$ 176,008	\$ 85,900	\$ 107,956	\$ 193,856

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statements of Cash Flows

	Year Ended December 31,	
	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (17,848)	\$ (88,783)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	1,370	4,170
Change in operating assets and liabilities:		
Accounts receivable	(150,888)	(61,233)
Prepaid expenses	(16,545)	(11,090)
Accounts payable and accrued expenses	54,987	443
Net Cash Used by Operating Activities	<u>(128,924)</u>	<u>(156,493)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in lines of credit	14,066	91,934
Net Cash Provided by Financing Activities	<u>14,066</u>	<u>91,934</u>
Change in Cash and Cash Equivalents	(114,858)	(64,559)
Cash and Cash Equivalents, Beginning of Year	<u>170,533</u>	<u>235,092</u>
Cash and Cash Equivalents, End of Year	<u>\$ 55,675</u>	<u>\$ 170,533</u>

See notes to financial statements

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2015 and 2014

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, their families, their communities, and their nation. 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 2015:

Agriculture Development

- **Regional Agricultural Development Program-North (RADP-N)**

JDA continues to work in the RADP-N project funded by USAID and managed by Development Alternatives International (DAI). The RADP-N project is improving production and profits in select value chains in order to support both food and financial security in northern Afghanistan. JDA is currently working to improve production and productivity of the wheat value chain with the aim of 1) training and mentoring farmers and agribusinesses in the use of proper technologies and agricultural practices, 2) improving post-harvest techniques and value-added processing, and 3) strengthening agribusiness management and market linkages to domestic and international markets. In its first full year of implementation, RADP-N has trained 3,139 wheat farmers on weed control, 79 farmers in Conservation Agriculture, 3,000 female farmers on Purdue Improved Crop Storage, 3,911 farmers on Melon Fly Integrated Pest Management. JDA has also completed hygiene and sanitation training for 800 women and is ongoing to aid 500 additional beneficiaries.

- **Two-Wheel Tractors:**

In 2005, JDA pioneered the work of two-wheel tractors and other implements, which are imported from China. The result has been a steady increase of use and change in attitude toward 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, 2015 and 2014

1. NATURE OF ORGANIZATION, continued:

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

JDA continues to promote a water access, sanitation and hygiene (WASH) project that proposes to 1) increase Afghan businesses' capacity to conduct WASH development, 2) equip a development center for training, 3) improve community well-being through WASH interventions, and 4) educate local schools in WASH principles and provision of clean water through new wells and hand pump and Sawyer 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 related to 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, such as how to spot warning signs during birth and how to intervene in potentially life-threatening circumstances.

JDA has seen how education and health are key to eliminating poverty, oppression, and extremism. JDA's regular presence in the areas where we work creates hope and public interest among the communities which has brought positive changes within their communities. The JDA WASH program began in 2009 and has since worked with 28 communities helping 34,670 beneficiaries gain access to safe water. During 2015, JDA's WASH team trained 1,334 women and 714 men in appropriate hygiene and sanitation practices throughout the villages of Bagh Ragh, Kohna Zawot, Paka Raja, Zargarán, Poshte Bagh, Pole Babo, and Nawabad. Hygiene & Sanitation education has increased awareness of personal and environmental hygiene, reducing diarrheal disease by 43%. JDA provided access to safe water through the drilling of 12 new wells benefiting 15,085 people including 4,700 students. These water points take off a great burden from women and children who are obligated to fetch water from long distances and spend hours meeting their water needs. Since our work started in 2009, over 50,000 beneficiaries have gained access to safe water through 64 wells that have been drilled. Hand pump repair training is an essential part of the WASH program as it is an income generation opportunity for those who complete the course because they are able to repair broken hand pumps in their communities. The BLiSS curriculum directly applies the principles and practices of WASH to one of the most urgent health concerns in Afghanistan—mother/child health. We are currently working on creating a curriculum adapted to men to begin BLiSS for men. This year, 296 women completed eight weeks of BLiSS training and received hygiene and BLiSS kits.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2015 and 2014

1. NATURE OF ORGANIZATION, continued:

In Schools: Global Hand Washing Day took place on October 15, 2015. JDA's WASH team hosted two puppet show programs for Wali Asr Girls & Boys Primary School and Sayed Jalal Sadat Girls & Boys Primary School. 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. JDA installed sinks with 144 liter capacity and 650 liter capacity drinking water stations at each school for the sustainability of the program. The presence of hand washing stations is critical in getting students to wash their hands after each latrine use or contact with unclean surfaces. A total of 727 children received direct hygiene instruction while 2,908 children received indirect instruction.

In Kuchi Communities: Continuing education in the Kuchi communities (a nomadic people) in the 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 BLiSS, successfully engaging more of the community in WASH initiatives.

Staffing

JDA in both Afghanistan and the US has a total of 82 employees: four at the US office and 78 in Afghanistan, which includes four 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, 2015 and 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

ACCOUNTS RECEIVABLE

JDA's accounts receivable are due from DAI 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, 2015 and 2014, therefore, an allowance for doubtful accounts has not been recorded as of December 31, 2015 and 2014, 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, 2015 and 2014

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, 2015, JDA had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for years before 2012.

3. PROPERTY AND EQUIPMENT—NET:

Property and equipment—net, consist of:

	December 31,	
	2015	2014
Vehicles	\$ 27,720	\$ 27,720
Furniture and equipment	18,345	18,345
	<u>46,065</u>	<u>46,065</u>
Less: Accumulated depreciation	<u>(42,983)</u>	<u>(41,613)</u>
	<u>\$ 3,082</u>	<u>\$ 4,452</u>

4. LINES OF CREDIT:

JDA has a \$100,000 revolving line of credit agreement with no maturity date. It is personally guaranteed by the president of JDA. As of December 31, 2015, the interest rate was 6.25% and the outstanding balance was \$56,153. As of December 31, 2014, the interest rate was 6.25% and the outstanding balance was \$91,934. JDA was in compliance with the line of credit covenants as of December 31, 2015 and 2014.

JDA also has a \$50,000 line of credit agreement through an individual, maturing on April 30, 2017. This line of credit is to manage expenses during the RADP North USAID project. As of December 31, 2015, the interest rate was 5% and the balance was \$50,000. The line of credit does not contain any covenants.

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Notes to Financial Statements

December 31, 2015 and 2014

5. FOREIGN OPERATIONS:

In connection with its foreign projects, JDA maintains programs and supporting facilities and services in various countries outside the United States. For the years ended December 31, 2015 and 2014, assets in other countries totaled approximately \$37,801 and \$30,995, respectively, and liabilities in other countries were approximately \$33,324 and \$12,846, respectively. Total public support and revenue received from foreign sources totaled approximately \$36,914 and \$72,758 for the years ended December 31, 2015 and 2014, 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.

6. RELATED PARTY:

In 2014, an officer of JDA was the CEO of OH Afghanistan, Inc. (OHA) which operates in selling agriculture machinery and supplies to support the work of JDA in Afghanistan. During the year ended December 31, 2014, JDA paid OHA for well drilling materials and services as well as Sawyer PointONE water filters in the amount of \$41,992. In October 2015, a new CEO, who is not connected with JDA, was appointed for OHA.

JDA had a note receivable from an employee with an outstanding balance of \$5,600 as of December 31, 2014. The receivable was fully collected in the year ended December 31, 2015.

7. CONCENTRATIONS:

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 years ended December 31, 2015 and 2014, JDA has recognized revenue of approximately \$962,167 and \$208,000, respectively on this subcontract which accounted for approximately 70% and 31%, respectively, of total support and revenue.

8. 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.

SUPPLEMENTAL INFORMATION

**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, 2015 and 2014, and our report thereon dated April 22, 2016, 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, 2016

JOINT DEVELOPMENT ASSOCIATES INTERNATIONAL, INC.

Statement of Functional Expenses

Year Ended December 31, 2015

	Program Services				Total Program	Supporting Activities		Total
	Agriculture	Water Development	Project Development	Education		Management and General	Fundraising	
Salaries and related expenses	\$ 743,492	\$ 106,551	\$ 2,472	\$ 3,468	\$ 855,983	\$ 158,668	\$ 3,428	\$ 1,018,079
Travel and transport	101,013	27,080	23	746	128,862	9,292	-	138,154
Office and occupancy	99,890	10,488	-	24	110,402	58,807	-	169,209
Equipment and materials	10,026	53,150	5	-	63,181	5,125	-	68,306
Depreciation expense	-	-	-	-	-	1,370	-	1,370
	<u>\$ 954,421</u>	<u>\$ 197,269</u>	<u>\$ 2,500</u>	<u>\$ 4,238</u>	<u>\$ 1,158,428</u>	<u>\$ 233,262</u>	<u>\$ 3,428</u>	<u>\$ 1,395,118</u>

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>