

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

**Financial Statements
June 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)**

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

FINANCIAL STATEMENTS
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

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To the Board of Trustees of
The Small-Scale Sustainable Infrastructure
Development Fund, Inc.
Cambridge, Massachusetts

Accountants' Report

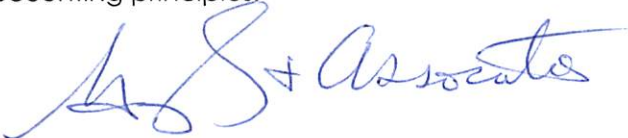
We have reviewed the accompanying statement of financial position of The Small-Scale Sustainable Infrastructure Development Fund, Inc., as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended.

A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.



GONZALEZ & ASSOCIATES, P.C.
Certified Public Accountants

Stoughton, Massachusetts
October 27, 2015

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash	\$ 1,023,679	\$ 922,181
Contracts receivable		148,210
Prepaid expenses	3,818	2,304
Total current assets	1,027,497	1,072,695
<u>Property and Equipment</u>		
Office equipment	2,622	2,622
Less: accumulated depreciation	(2,622)	(2,185)
Total property and equipment	0	437
<u>Other Assets</u>		
Trademark	8,376	0
Total other assets	8,376	0
<u>Total Assets</u>	\$ 1,035,873	\$ 1,073,132
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 18,978	\$ 24,322
Payroll liabilities	37,671	58,277
Total current liabilities	56,649	82,599
<u>Net Assets</u>		
Unrestricted net assets	979,224	990,533
Total net assets	979,224	990,533
<u>Total Liabilities and Net Assets</u>	\$ 1,035,873	\$ 1,073,132

See accompanying notes and Independent Accountants' Review Report.

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue</u>				
Contributions and grants	\$ 79,850	\$ 174,000	\$ 253,850	\$ 295,103
Released from restriction	174,000	(174,000)		
Contracts	219,571		219,571	183,210
Interest income	416		416	3,707
In-kind salaries and consultants	200,373		200,373	167,477
Total support and revenue	<u>674,210</u>	<u>0</u>	<u>674,210</u>	<u>649,497</u>
<u>Expenses</u>				
Program services:				
Projects	293,578		293,578	278,904
Dissemination	221,417		221,417	230,095
Total program services	<u>514,995</u>	<u>0</u>	<u>514,995</u>	<u>508,999</u>
General and administrative	109,933		109,933	107,817
Fundraising	60,591		60,591	27,530
Total expenses	<u>685,519</u>	<u>0</u>	<u>685,519</u>	<u>644,346</u>
<u>Change in Net Assets</u>	(11,309)	0	(11,309)	5,151
<u>Net Assets - Beginning of Year</u>	<u>990,533</u>	<u>0</u>	<u>990,533</u>	<u>985,382</u>
<u>Net Assets - End of Year</u>	<u>\$ 979,224</u>	<u>\$ 0</u>	<u>\$ 979,224</u>	<u>\$ 990,533</u>

See accompanying notes and Independent Accountants' Review Report.

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	2014					2013	
	Projects	Dissemination	Total Program Services	General and Administrative	Fundraising	Total	Total
Staff							
Senior and other staff (pro-bono)	\$ 68,844	\$ 67,573	\$ 136,417	\$ 38,033	\$ 25,923	\$ 200,373	\$ 167,477
Staff salaries and benefits	39,873	107,891	147,764	56,291	30,491	234,546	209,677
	<u>108,717</u>	<u>175,464</u>	<u>284,181</u>	<u>94,324</u>	<u>56,414</u>	<u>434,919</u>	<u>377,154</u>
Consultants	118,082	18,697	136,779			136,779	131,919
Travel	9,848	9,364	19,212	1,445		20,657	10,297
Office expenses	7,426	9,547	16,973	2,970	1,273	21,216	9,481
Office rent and utilities	4,145	6,668	10,813	3,534	2,154	16,501	16,116
Accounting, insurance and other professional fees	1,264	1,677	2,941	7,660	750	11,351	17,632
Transfers to India Operations	44,096		44,096			44,096	81,747
Total	<u>\$ 293,578</u>	<u>\$ 221,417</u>	<u>\$ 514,995</u>	<u>\$ 109,933</u>	<u>\$ 60,591</u>	<u>\$ 685,519</u>	<u>\$ 644,346</u>

See accompanying notes and Independent Accountants' Review Report.

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	<u>2014</u>	<u>2013</u>
<u>Cash Flows From Operating Activities</u>		
Change in net assets	\$ (11,309)	\$ 5,151
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	441	874
(Increase) decrease in:		
Contracts receivable	148,210	(137,600)
Prepaid expense	(1,514)	(2,304)
Increase (decrease) in:		
Accounts payable	(5,344)	6,793
Payroll liabilities	(20,606)	58,277
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>109,878</u>	<u>(68,809)</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of Trademark	(8,380)	0
<u>Net Cash (Used) by Investing Activities</u>	<u>(8,380)</u>	<u>0</u>
<u>Cash Flows From Financing Activities</u>		
Repayment of loan payable	0	(10,000)
<u>Net Cash Provided (Used) by Financing Activities</u>	<u>0</u>	<u>(10,000)</u>
<u>Net (Decrease) in Cash and Cash Equivalents</u>	101,498	(78,809)
<u>Cash and Cash Equivalents - Beginning of Year</u>	922,181	1,000,990
<u>Cash and Cash Equivalent - End of Year</u>	<u>\$ 1,023,679</u>	<u>\$ 922,181</u>

See accompanying notes and Independent Accountants' Review Report.

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1. Organization

The Small-Scale Sustainable Infrastructure Development Fund, Inc. (S³IDF) was organized in the Commonwealth of Massachusetts as a nonprofit corporation on September 7, 2001. The stated purpose of the Organization is to facilitate, through financing and technical and business assistance, small-scale pro-poor sustainable energy, water, and sanitation infrastructure to be owned and operated by small local businesses and community organizations. Such investments are needed for poverty alleviation and overall economic advancement in the developing world. S³IDF works with non-government private, community, and nonprofit organizations in developing countries and links them with programs supporting infrastructure services such as energy, water supply, sanitation, transportation, telecommunications, and other investments related to the use of these services.

S³IDF also disseminates its approach, called the Social Merchant Bank Approach, to improve the effectiveness of projects and programs implemented by international and local development entities.

Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting

The Organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for "Not-for-Profit Organizations".

b. Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2014 and 2013 and accordingly, these financials do not reflect any activity related to this class of net assets for 2014 and 2013.

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- c. Allocation of Expenses
Expenses by function have been allocated among program and supporting services directly or on the basis of time records and estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.
- d. Cash and Cash Equivalents
For purposes of the statement of cash flows, The Small-Scale Sustainable Infrastructure Development Fund, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.
- e. Use of Estimates
The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- f. Promises to Give
Unconditional promises to give are recognized as revenue 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 when the conditions on which they depend are substantially met.
- g. Restricted and Unrestricted Revenue
Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a time or purpose restriction expires, restricted net assets are reclassified to unrestricted net assets and are reported in the Statement of Activities as net assets released from restriction.
- h. Donated Services
Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills are performed by people with those skills and would otherwise be purchased. The Organization received donated services during 2014 and 2013 of \$200,373 and \$167,477, respectively, which were recorded as in-kind contributions and in-kind salary expenses for donated time provided by the Executive Director and staff members.

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 2. Summary of Significant Accounting Policies (Continued)

- i. Property and Equipment
These assets are recorded at cost, when purchased or if donated, at their estimated fair market value at date of donation. All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs and betterments that materially prolong the useful lives of assets are capitalized.
- j. Depreciation
Provisions for depreciation are made in the accounts using the straight-line method over the estimated useful life of the asset. Equipment is being depreciated over three years.
- k. Compensated Absences
Employees of S³IDF, Inc. are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees.
- l. Summarized Comparative Financial Statements
The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organizations financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Note 3. Tax Status

S³IDF, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

Note 4. Uninsured Cash Balances

S³IDF, Inc. maintains its cash account at a local bank. Cash accounts at banks are insured by the Federal Deposit Insurance Corporation for up to \$250,000 at each bank. The amount in excess of insured limits was \$798,062 at June 30, 2014.

The Organization is currently in the process of opening accounts at separate banks to ensure FDIC Insurance to more of their cash.

**THE SMALL-SCALE SUSTAINABLE INFRASTRUCTURE
DEVELOPMENT FUND, INC.**

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(Continued)

Note 5. Contract Income and Significant Support

The Organization facilitates, through financing and technical and business assistance, small-scale pro-poor sustainable energy, water, and sanitation infrastructure to be owned and operated by small local businesses and community organizations. Such investments are needed under a variety of third party agreements which provide for current payment on a provisional basis, subject to cost reports. During the year ended June 30, 2014, revenues earned under these contracts were as follows:

Blue Moon Fund	\$ 174,000
Nexant	<u>99,571</u>
Total	<u>\$ 273,571</u>
Percentage of total revenue	<u>41%</u>

Note 6. Related Party Transactions

The President of the Board of Directors is an in-kind employee of the Organization as detailed in Note 2h. His donated time was valued at \$154,593 during the year ended June 30, 2014. He was also compensated as an employee beginning October 2012 and was owed \$34,808 for salary at June 30, 2014. In addition, the Organization rents office space owned by this board member as detailed in Note 7.

The Treasurer of the Board of Directors is also an in-kind employee as detailed in Note 2h. His donated time was valued at \$17,490 during the year ended June 30, 2014. He was also compensated as an employee beginning April 2013.

Note 7. Lease Commitments

The Organization currently leases office space, owned by the President of the Board of Directors, under a one year sublease which expired June 30, 2013. The lease requires monthly payments of \$1,250 and includes automatic one-year extensions with option for not extending the lease with appropriate notification. Rent expense totaled \$15,000 for the years ended June 30, 2014 and 2013, respectively.

Note 8. Subsequent Events

Subsequent events were evaluated through October 27, 2015, which is the date the financial statements were available to be issued.