

**IDE INTERNATIONAL  
DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.**

**Non-consolidated Financial Statements  
For the year ended December 31, 2018**

# **IDE INTERNATIONAL DEVELOPMENT ENTERPRISES ASSOCIATION INC.**

## **Non-consolidated Financial Statements For the year ended December 31, 2018**

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## Independent Auditor's Report

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To the Board of Directors of  
IDE INTERNATIONAL DEVELOPMENT ENTERPRISES ASSOCIATION INC.

### Opinion

We have audited the non-consolidated financial statements of IDE International Development Enterprises Association Inc. (the "organization"), which comprise the statement of financial position as at December 31, 2018, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the non-consolidated Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants


Winnipeg, Manitoba  
June 25, 2019




**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Non-consolidated Statement of Financial Position**

December 31	2018	2017
<b>Assets</b>		
<b>Current Assets</b>		
Cash and bank	\$ 1,582,069	\$ 1,627,647
Accounts receivable	117,381	89,698
Due from related party (Note 15)	77,659	-
Project advances (Note 3)	328,158	385,933
Prepaid expenses	-	3,490
Current portion of loan receivable (Note 4)	34,084	62,755
	<u>2,139,351</u>	<u>2,169,523</u>
Investment in IDEal Tecnologias y Compania Ltda. (Note 2)	1	-
	<u>\$ 2,139,352</u>	<u>\$ 2,169,523</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 18,314	\$ 9,024
Due to related parties (Note 15)	103,121	-
Current portion of long-term debt (Note 7)	-	20,918
Deferred revenue (Note 6)	816,826	1,017,607
	<u>938,261</u>	<u>1,047,549</u>
<b>Net Assets</b>		
Board discretionary reserves		
Operating reserve	328,883	328,883
Leverage fund (Note 8)	123,738	231,286
Honduras fund (Note 9)	-	7,500
Nepal fund (Note 10)	25,000	25,000
RUSHING fund (Note 11)	122,175	-
CanPoop fund (Note 12)	75,000	-
Unrestricted surplus	526,295	529,305
	<u>1,201,091</u>	<u>1,121,974</u>
	<u>\$ 2,139,352</u>	<u>\$ 2,169,523</u>

Approved by the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES ASSOCIATION INC.**  
**Non-consolidated Statement of Changes in Net Assets**

For the year ended December 31

	RUSHING Fund	CanPoop Fund	Nepal Fund	Honduras Fund	Leverage Fund	WASH Fund	Operating Reserve	Unrestricted Surplus	Total
Net assets, December 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 9,617	\$ 156,599	\$ 409,940	\$ 866,156
Excess of revenue over expenses	-	-	-	-	370	-	70	255,378	255,818
Transfers	-	-	25,000	7,500	(59,084)	(9,617)	172,214	(136,013)	-
Net assets, December 31, 2017	-	-	25,000	7,500	231,286	-	328,883	529,305	1,121,974
Excess of revenue over expenses	-	-	-	-	(182,548)	-	-	261,665	79,117
Transfers (Notes 8, 9, 10, 11, 12)	122,175	75,000	-	(7,500)	75,000	-	-	(264,675)	-
Net assets, December 31, 2018	\$ 122,175	\$ 75,000	\$ 25,000	\$ -	\$ 123,738	\$ -	\$ 328,883	\$ 526,295	\$ 1,201,091

The accompanying notes are an integral part of these non-consolidated financial statements.

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Non-consolidated Statement of Operations**

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Donations	\$ 1,331,792	\$ 989,929
Government grants (Page 18)	2,523,214	2,689,590
Interest and other	10,494	5,819
Program services	9,463	10,904
Sponsorships	-	87,500
	<u>3,874,963</u>	<u>3,783,742</u>
<b>Expenses</b>		
International programs (Page 18)	3,398,188	3,148,137
Fundraising	232,554	210,923
General and administrative expenses	109,534	108,564
Public engagement and education	55,570	60,300
	<u>3,795,846</u>	<u>3,527,924</u>
<b>Excess of revenue over expenses</b>	<b>\$ 79,117</b>	<b>\$ 255,818</b>
<b>Apportioned to the following funds</b>		
Unrestricted surplus	\$ 261,665	\$ 255,378
Leverage fund	(182,548)	370
Honduras fund	-	70
	<u>\$ 79,117</u>	<u>\$ 255,818</u>

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Non-consolidated Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities</b>		
Excess of revenue over expenses	\$ 79,117	\$ 255,818
Adjustment for non-cash items:		
Forgiveness of long-term debt	-	(15,000)
Loss on iDEal Tecnologias y Compania Lta. valuation	<u>205,792</u>	<u>-</u>
	<b>284,909</b>	<b>240,818</b>
Net change in non-cash working capital		
Accounts receivable	(27,683)	(79,558)
Due from related parties	(77,659)	-
Project advances	57,775	(132,825)
Loan receivable	28,671	71,615
Prepaid expenses	3,490	(3,490)
Accounts payable and accrued liabilities	9,290	(162,657)
Deferred revenue	<u>(200,781)</u>	<u>(269,730)</u>
	<u><b>78,012</b></u>	<u><b>(335,827)</b></u>
<b>Cash Flows from Investing Activities</b>		
Purchase of iDEal Tecnologias y Compania Lta.	<u>(205,793)</u>	<u>-</u>
<b>Cash Flows from Financing Activities</b>		
Repayment of long-term debt	(20,918)	(38,662)
Advances from related parties	<u>103,121</u>	<u>-</u>
	<u><b>82,203</b></u>	<u><b>(38,662)</b></u>
<b>Decrease in cash and bank</b>	<b>(45,578)</b>	<b>(374,489)</b>
<b>Cash and bank, beginning of year</b>	<u><b>1,627,647</b></u>	<u><b>2,002,136</b></u>
<b>Cash and bank, end of year</b>	<u><b>\$ 1,582,069</b></u>	<u><b>\$ 1,627,647</b></u>



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# IDE INTERNATIONAL DEVELOPMENT ENTERPRISES ASSOCIATION INC.

## Notes to Non-consolidated Financial Statements

For the year ended December 31, 2018

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### 1. Nature of Operations and Summary of Significant Accounting Policies

#### Nature of Business

The IDE International Development Enterprises Association Inc. is a registered charity under the Income Tax Act.

The organization is the Canadian arm of IDE. As part of IDE's global operations, the organization is responsible for the development and oversight of specific projects implemented through IDE field offices. IDE's consolidated global operations are reported on separately and only its Canadian operations are reflected in these non-consolidated financial statements.

#### Basis of Accounting

The non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### Revenue Recognition

The organization follows the deferral method of accounting for contributions. Revenue, primarily grant revenue, which contains conditions to its use, is deferred until the conditions are fulfilled. Donation revenue is recorded when received. Donation revenue received for specific campaigns is unrestricted and will be used at the discretion of the board. The Board's practice is to allocate these funds as per the donor's request. See note regarding 'Donor Directed Project Fund' for further information. If response to an appeal exceeds the amount needed for the designated project or if a project cannot be completed, the excess or remaining funds will be used where most needed.

#### Investments

On February 20, 2018, the organization acquired 99% ownership from iDE Global, the ownership of iDEal Technologies y Compania Ltd., a Nicaraguan corporation.

The organization's investment in iDEal Technologies y Compania Ltd., a Nicaraguan private corporation, subject to control, is accounted for by the cost method.

The cost method is a basis of accounting for investments whereby the investment is initially recorded at cost and earnings from such investments are recognized only to the extent received or receivable. When there is an indication of impairment, the organization determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the investment. If the organization identifies a significant adverse change, the carrying amount of the investment is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the investment, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the reduction is recognized as an impairment loss in net income. A previously recognized impairment loss may be reversed to the extent of improvement, provided the adjusted carrying amount of the investment is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income in the period the reversal occurs.

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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

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**1. Nature of Operations and Summary of Significant Accounting Policies (continued)**

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer equipment	5 year straight-line
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Operating Reserve

This reserve fund was established by the Board of Directors to provide continuity of operations in the event of future shortfalls in revenue over expenses.

Leverage Fund

This internally restricted fund supports projects that match fund resources with matching grant or investment money. The fund provides strategic investments in projects that mobilize significant additional resources, which may be in a variety of forms, including government grants or subsidies, financing or private investment (Note 8). Management proposes fund investments for approval by the Board of Directors.

Honduras Fund

This fund was set up to show donations designated but not yet disbursed to support IDE's work in Honduras (Note 9).

Nepal Fund

This fund was set up to show donations designated but not yet disbursed to support IDE's work in Nepal (Note 10).

RUSHING Fund

This fund was set up to show donations designated but not yet disbursed to support IDE's sanitation marketing work in Ghana (Note 11).

CanPoop Fund

This revolving reserve fund was established by the Board of Directors to provide short-term cash flow for toilet sales in Ghana. In 2019, the fund is scheduled to cycle into covering expenses for the RUSHING sanitation marketing project, at which point it will be dissolved. (Note 12).

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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

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**1. Nature of Operations and Summary of Significant Accounting Policies (continued)**

Foreign Currency Translation

Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets in actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs are the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Use of Estimates

The preparation of non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

**2. Investment**

On February 20, 2018, the organization acquired from iDE Global, 99% of iDEal Technologies y Compania Ltd., a Nicaraguan corporation. This corporation provides irrigation equipment for the agricultural and industrial industries and agro industrial consulting services throughout Nicaragua.



**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

**3. Project Advances**

The following table summarizes the organization's project advances for the year..

	<u>2018</u>	<u>2017</u>
Ghana/ CanPoop	\$ 75,000	\$ 75,000
Ghana/ RUSHING	<u>253,158</u>	<u>310,933</u>
Total	<u>\$ 328,158</u>	<u>\$ 385,933</u>

The organization established the Ghana/ CanPoop and Ghana/ RUSHING projects to support the work of IDE established in other countries in areas of water, sanitation and hygiene. These organizations are affiliated not-for-profit organizations with similar purposes, goals and policies.

**4. Loan Receivable**

	<u>2018</u>	<u>2017</u>
Hydrologic Social Enterprise Co. Ltd., with interest at 5.00% receivable on a semi-annual basis beginning on March 31, 2014 and then on the last day of December and June in subsequent years, requiring semi-annual principal payments of \$25,000 USD starting June 30, 2016, maturing December 31, 2018.	\$ 34,084	\$ 62,755
Less current portion of loan receivable	<u>34,084</u>	<u>62,755</u>
	<u>\$ -</u>	<u>\$ -</u>

**5. Capital Assets**

	<u>2018</u>		<u>2017</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment and software	\$ 14,326	\$ 14,326	\$ 14,326	\$ 14,326
Net book value		<u>\$ -</u>		<u>\$ -</u>

**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

**6. Deferred Revenue**

Deferred contributions include designated government grants and contributions which remain unspent to December 31, 2018, as set out in the following table:

	<u>Opening</u>	<u>Accrued</u>	<u>Recognized</u>	<u>Closing</u>
Global Affairs Canada				
Ghana - Rushing	\$ 971,036	\$ 2,334,971	\$ (2,489,181)	\$ 816,826
Contributions				
MCIC	46,571	-	(46,571)	-
	<u>\$ 1,017,607</u>	<u>\$ 2,334,971</u>	<u>\$ (2,535,752)</u>	<u>\$ 816,826</u>

Deferred contributions recognized as revenue are included in the designated government grants on the statement of operations.

**7. Long-term Debt**

	<u>2018</u>	<u>2017</u>
Heb2 Holding Ltd., with interest at 5.00% payable on a semi-annual basis beginning December 31, 2013, requiring semi-annual principal payments of \$8,333 USD starting June 30, 2016, unsecured, maturing December 31, 2018.	\$ -	\$ 20,918
	-	20,918
Current portion of long-term debt	-	20,918
	<u>\$ -</u>	<u>\$ -</u>

The purpose of the loans is to support the Hydrologic Social Enterprise Co. Ltd. (Hydrologic) of Phnom Penh, Cambodia. The organization may repay the loans at any time without penalty. The organization retains the right to forgo repayment to the two lenders if Hydrologic does not meet its obligation to the organization.



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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

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**8. Leverage Fund**

The organization established the Leverage fund to provide strategic investments in projects that mobilize significant additional resources, at the discretion of the Board.

The transactions of the Leverage fund for the year are as follows:

	<u>2018</u>	<u>2017</u>
Opening balance	\$ 231,286	\$ 290,000
Excess revenue over expenses	(182,548)	370
Management executed transfer	<u>75,000</u>	<u>(59,084)</u>
Ending balance	<u>\$ 123,738</u>	<u>\$ 231,286</u>

**9. Honduras Fund**

The organization established a fund to support the work of IDE in Honduras.

The transactions of the Honduras fund for the year are as follows:

	<u>2018</u>	<u>2017</u>
Opening balance	\$ 7,500	\$ -
Board executed transfer	<u>(7,500)</u>	<u>7,500</u>
Ending balance	<u>\$ -</u>	<u>\$ 7,500</u>

**10. Nepal Fund**

The organization established a fund to support the work of IDE in Nepal.

The transactions of the Nepal fund for the year are as follows:

	<u>2018</u>	<u>2017</u>
Opening balance	\$ 25,000	\$ -
Management executed transfer	<u>-</u>	<u>25,000</u>
Ending balance	<u>\$ 25,000</u>	<u>\$ 25,000</u>

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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

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**11. RUSHING Fund**

The organization established a fund to support the work of IDE in the areas of water, sanitation and hygiene, at the discretion of the Board.

The transactions of the RUSHING fund for the year are as follows:

	<u>2018</u>	<u>2017</u>
Opening balance	\$ -	\$ -
Management executed transfer	<u>122,175</u>	<u>-</u>
Ending balance	<u>\$ 122,175</u>	<u>\$ -</u>

**12. CanPoop Fund**

The organization established a fund to support the work of IDE in the areas of water, sanitation and hygiene, at the discretion of the Board.

The transactions of the CanPoop fund for the year are as follows:

	<u>2018</u>	<u>2017</u>
Opening balance	\$ -	\$ -
Management executed transfer	<u>75,000</u>	<u>-</u>
Ending balance	<u>\$ 75,000</u>	<u>\$ -</u>

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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

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**13. International Programs**

In 2018, international programs consisted primarily of:

- a) The development of private extension services, improved access to farm inputs and supporting the introduction of high value crops to smallholder farmers in Cambodia, Asia.
- b) The development of improved access to farm inputs and supporting the introduction of high value crops to smallholder farmers in Ghana, Africa.
- c) The development of a sanitation marketing program in Nepal.
- d) The development of micro-irrigation technology and input supply chains, providing extension services and improving market access for smallholder farmers in Ethiopia, Africa.

Throughout the year, the organization provided funding to IDE entities of \$3,398,188 (\$3,148,137 in 2017). As at December 31, 2018, a receivable of \$328,158 (\$385,933 in 2017) was due to IDE field offices, these amounts are non-interest bearing and have no terms of repayment.

**14. Allocation of Expenses**

Salaries and benefits totaling \$451,373 (\$402,600 in 2017) have been allocated between the various programs as follows:

	<u>2018</u>	<u>2017</u>
General and administrative expenses	\$ 79,483	\$ 53,688
Fundraising	125,918	121,992
Public engagement and education	32,233	39,509
International programs	<u>213,739</u>	<u>187,411</u>
Total	<u>\$ 451,373</u>	<u>\$ 402,600</u>

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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

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**15. Related Parties Disclosures**

The following table summarizes the organization's related party transactions for the year:

	<u>2018</u>	<u>2017</u>
General and administrative expenses - Rent and utilities services received from a Director's 100% owned company.	<b>\$ 11,310</b>	<b>\$ 11,092</b>

These transactions are in the normal course of operations, measured at the exchange amount, which is the amount agreed upon by the two parties.

The amounts due (to) from related parties at year end are as follows:

	<u>2018</u>	<u>2017</u>
Due from IDEal - Nicaragua	<b>\$ 77,659</b>	<b>\$ -</b>
Due to IDE - US	<b>\$ (89,258)</b>	<b>-</b>
Due to IDE - Ethiopia	<b>(13,863)</b>	<b>-</b>
Total	<b>\$ (103,121)</b>	<b>\$ -</b>

IDE - US and IDE - Ethiopia are affiliated not-for-profit organizations with similar purposes, goals and policies. The amounts due to are a result of grant expenses paid by one organization on behalf of the other. There is no security or terms of repayment for these amounts.

iDEal - Nicaragua is an affiliated not-for-profit organization. The amounts due from are advances made to assist with cash flow for the organization. There is no security or terms of repayment for these amounts.

The organization acquired iDEal Tecnologias y Compania Ltda. from iDE Global on March 1, 2018. Subsequent to the purchase of iDEal Tecnologias y Compania Ltda., the organization decided to write down the investment to \$1 due to operating losses by iDEal Tecnologias y Compania Ltda. The write down amount was \$205,792. The organization also wrote off a portion of the current accounts receivable due from iDEal Tecnologias y Compania Ltda. for \$120,946.

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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Notes to Non-consolidated Financial Statements**

**For the year ended December 31, 2018**

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**16. Financial Instrument Risk**

The organization, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The organization's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the organization's activities. The following analysis provides a measurement of these risks at December 31, 2018.

**(a) Credit Risk and Market Risk**

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the organization to credit risk consist principally of accounts receivable, loan receivable and project advances. The organization limits its exposure to credit risk and market risk by maintaining a diversified portfolio and by investing in high quality investments.

**(b) Foreign Exchange Risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization's maximum exposure to foreign exchange risk is summarized below:

	<u>2018</u>	<u>2017</u>
US Dollar		
Cash	\$ 194,862	\$ 33,770
Loan receivable	34,084	62,755
Loan payable	-	(20,918)

**(c) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial instruments, which potentially subject the organization to interest risk, consist of long-term debt.

There have not been any changes in these risks from the prior year.



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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
Non-consolidated Supporting Schedules**

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<b>For the year ended December 31</b>	<b>2018</b>	<b>2017</b>
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**Detailed Schedule of Government Grants**

Global Affairs Canada		
Cambodia	\$ (12,538)	\$ 132,088
Canadian costs	-	383,255
Ethiopia	369,247	87,503
Ghana	2,119,934	2,035,059
Manitoba Council for International Cooperation	<u>46,571</u>	<u>51,685</u>
	<b>\$ 2,523,214</b>	<b>\$ 2,689,590</b>

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**Detailed Schedule of International Program Expenses**

Cambodia	\$ -	\$ 176,118
Ethiopia	176,165	140,768
Ghana	1,922	179,864
Ghana - Rushing	2,459,993	2,192,888
Honduras	7,635	-
International support	433,158	454,810
Nicaragua	<u>319,315</u>	<u>3,689</u>
	<b>\$ 3,398,188</b>	<b>\$ 3,148,137</b>

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**IDE INTERNATIONAL DEVELOPMENT ENTERPRISES  
ASSOCIATION INC.  
GAC Schedules**

**For the year ended December 31, 2018**

**Schedule A - Summary Statement of Revenue**

	GAC Funded	Non-GAC	Activities	Total
Government Revenue				
Global Affairs Canada NGO/ICD division	\$ 2,476,643	\$ -	\$ -	\$ 2,476,643
Provincial government (MCIC)	-	46,571	-	46,571
Private Revenue				
Canadian matchable	-	1,331,785	-	1,331,785
Interest income	4,740	97	5,657	10,494
Interest Income - Hydrologic Loan	-	-	2,891	2,891
Other -Project Management Fee	-	-	6,572	6,572
Interest income - GIC	-	-	7	7
<b>Total revenue</b>	<b>\$ 2,481,383</b>	<b>\$ 1,378,453</b>	<b>\$ 15,127</b>	<b>\$ 3,874,963</b>

**Schedule B - Restricted Funds Received But Not Disbursed by Year End**

Liability and/or fund account(s) (1) deferred revenue	\$ 816,826
Not disbursed by year-end (3)	816,826

Summary of total restricted funds received but not disbursed by year-end:

	Previous Year	Current Year
Global Affairs Canada Funds	\$ 971,036	\$ 816,826
Other Contributions	46,571	-
<b>Total restricted funds but not disbursed by year-end (4)</b>	<b>\$ 1,017,607</b>	<b>\$ 816,826</b>