

Report of the statutory auditor

with financial statements as of 31 December 2017 of

International Disability Alliance, Le Grand-Saconnex

To the Board of Trustees of
International Disability Alliance, Le Grand-Saconnex

Lausanne, 26 September 2018

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of of International Disability Alliance, which comprise the balance sheet, income statement and notes for the year ended 31 December 2017.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 the internal control system relevant to the entity's preparation 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 system.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2017 comply with Swiss law and the company's articles of incorporation.


Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 83b paragraph 3 Swiss Civil Code (CC) in relation with article 728 CO) and that there are no circumstances incompatible with our independence.


In accordance with article 83b paragraph 3 CC in relation to article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd



Serge Clément
Licensed audit expert
(Auditor in charge)



Bojan Radovanovic
Licensed audit expert

Enclosures

- ▶ Financial statements (balance sheet, income statement and notes)

International Disability Alliance, Le Grand-Saconnex

BALANCE SHEET AS OF 31 DECEMBER 2017

	Note	31.12.2017	31.12.2016
		<u>CHF</u>	<u>CHF</u>
ASSETS			
Current assets			
Cash and cash equivalents		87'536	579'002
Deposits		13'825	-
Other trade and receivable		19'494	-
Prepaid expenses		43'944	51'667
Accrued income	1	405'943	348'456
Total current assets		<u>570'742</u>	<u>979'126</u>
Non Current assets			
Fixed assets		5'124	-
Total non current assets		5'124	-
TOTAL ASSETS		<u>575'866</u>	<u>979'126</u>

International Disability Alliance, Le Grand-Saconnex

BALANCE SHEET AS OF 31 DECEMBER 2017

	31.12.2017	31.12.2016
	<u>CHF</u>	<u>CHF</u>
LIABILITIES AND EQUITY		
Short-term liabilities		
Trade accounts payable	97'844	85'071
to third parties	97'532	81'705
to management bodies	312	3'367
Short-term interest-bearing liabilities	3'310	1'668
Accrued expenses	11'000	23'222
Deferred income	2 449'968	855'419
Total short-term liabilities	562'121	965'381
Total liabilities	<u>562'121</u>	<u>965'381</u>
Equity		
Affected funds	13'744	13'744
Available earnings	<u>13'744</u>	<u>13'744</u>
Total equity	<u>13'744</u>	<u>13'744</u>
TOTAL EQUITY AND LIABILITIES	<u>575'866</u>	<u>979'126</u>

International Disability Alliance, Le Grand-Saconnex

INCOME STATEMENT 2017

		2017		2016
		CHF		CHF
Operating income	3	3'803'837		2'350'306
Services and other goods	-	2'167'602	-	1'626'659
Gross margin		1'636'236		723'647
Personnel expenses	-	1'568'127	-	721'657
Other operating expenses	-	3'497	-	2'595
Depreciations	-	2'562		
Earnings before interest		62'050	-	605
Financial cost	5 -	86'536	-	22'478
Financial income	6	23'070		5'356
Income related to other periods	7	1'415		17'727
		0		0

International Disability Alliance, Le Grand-Saconnex

NOTES TO THE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2017

Principles applied in these financial statements (where these are not specified by law):

General Principles:

International Disability Alliance (IDA) is a non profit organisation exclusively funded by subsidies and grants from public institutions (Ministry of Foreign Affairs Australia) or private foundations (Open Society Foundation, WellSpring Advisors Foundation, Disability Rights Fund etc.).

All expenses spent by IDA are related to grant agreements and based upon a budget proposal agreed with the financier. As a consequence IDA cannot make benefits on any grant contract.

Therefore the remaining funds for a contract from one year to another are accrued to the following year. The amount accrued is based on the state of expenditures per grant contract up to 31/12/2017.

Applicable accounting law:

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013).

Statutes of the Organisation :

The International Disability Alliance is a non profit association governed by its Statutes approved by general meeting held on 7 June 2013 and by Article 60. et seq. of Swiss Civil Code.

IDA Statutes have been Amended during the General Assembly held on 28 October 2017.

The International Disability Alliance has two offices:

- Geneva office is located at 150 Route de Ferney, CH1218 Grand Saconnex, Switzerland.
- New York office is located at 205 East 42nd Street New York, NY 10017

Registration of the Organisation:

The International Disability Alliance is registered in Switzerland as followed:

- Geneva Register of Commerce, Registration Number # CHE-178.278.102, date: 16 November 2016
- Administration Fiscale Cantonale, Tax exemption number # 080.502.106
- Federal Fiscal Administration, V.A.T. number # CHE-492.466.207

The International Disability Alliance is registered in the United States since 10 January 2017 as Foreign Non-For-Profit Corporation (Section 1304) under Employer Identification Number # 98-1347819.

Exchange rate:

The exchange rate used for daily transactions in IDA accounts is the monthly official exchange rate from the Fiscal Federal Administration.

Exchange rates used for annual closing work come from UBS bank accounts annual certifications. The exchange rates for each currency as of 31/12/2017 are as followed:

- 1 CHF = 1.026167 USD
- 1 CHF = 0.854570 EURO
- 1 CHF = 1.311983 AUD

At the end of the year, translation differences are calculated for each banks, cashboxes and suppliers open accounts by comparing the official exchange rate from UBS up to 31/12/2017 with the existing balance in IDA accounts.

Valuation Rules / Assets

FIXED TANGIBLE ASSETS

General remarks

- The minimum value of a fixed tangible asset is 500 CHF
- The acquisition costs are included in the assets
- The depreciation of tangible assets acquired in 2017 are calculated for a full year
- The rules adopted for depreciation of fixed assets are the following:

IT Equipment

- Laptop, Desktop, printer, scanner, server 3 years linear

An inventory of fixed tangible assets is performed on 31/12/2017 and validated by IDA Executive Director and Operations and Finance Manager.

CURRENT ASSETS

1. Cash at hand

- It includes the various current accounts from the International Disability Alliance at UBS (Geneva) and Citibank (New York), the savings account at UBS (Geneva), and petty cash from New York and Geneva Offices.

- Deposits: rental guarantee for NY and Geneva offices

2. Other trade and receivables

- All receivables older than 2 years are automatically considered as doubtful receivables and value adjustments are recorded.

3. Prepaid expenses (deferred charges)

include costs related to the following year that have already been paid.

4. Accrued income:

Amounts of the contracts for which expenses were made during 2017 and will be paid by the donor in 2018.

Valuation Rules / Liabilities and Equity

EQUITY

1. Affected funds

• IDA funding sources do not allow the generation of operating profits or losses.

• Profits can only result from exceptional operations such as 2016 exceptional profit of 13,744.47 CHF resulting from a tax refund for 2015 fiscal year, issued by the Swiss Federal Fiscal Administration - VAT office.

• In such cases, exceptional profits can be affected to an equity fund upon a proposal from the IDA Board and validation from the IDA General Assembly.

• No exceptional profits were generated in 2017 and therefore no additional funds were affected in 2017 to IDA equity fund. Consequently, the level of the Equity fund remained stable at 13,744 CHF on 31/12/2017.

DEBITS

1. Deferred income

- Total subsidies granted for several years and not yet used on 31st of December.

Information, breakdowns and explanations relating to balance sheet and income statement items:

1 - Accrued income

This account includes the payments not yet made by the donor, while the corresponding projects have been partially or fully realized.

	31.12.2017	31.12.2016
	CHF	CHF
Action Disability Development	3'176	-
Department of Foreign Affairs and Trade / Australia - AUSAID	16'248	140'612
CBM	107'268	-
Disability Rights Fund	13'874	-
Fundación Universia	-	7'026
Humanite & Inclusion (<i>Formerly Handicap International</i>)	116'734	30'216
Sightsavers	3'190	-
Light for the world	-	4'315
Ministry of Foreign Affairs Finland	-	164'032
Open Society Foundation	142'538	-
Fundación ONCE	1'583	-
Other donors	1'333	2'255
	405'943	348'456

2 - Deferred income

This account includes payments from donor made during the year to International Disability Alliance and not yet charged to projects.

	31.12.2017	31.12.2016
	CHF	CHF
US Private Foundation - Anonymous	6'296	191'327
Department of Foreign Affairs and Trade / Australia - AUSAID	54'615	284'920
Department of Foreign Affairs and Trade / Australia - IDF	26'140	-
Disability Rights Fund	61'235	78'504
Open Society Foundation	252'413	265'566
Ford Foundation	49'269	-

United Nations Population Fund

-	35'101
449'968	855'419

3 - Operating income by donor

	31.12.2017	31.12.2016
	CHF	CHF
US Private Foundation - Anonymous	656'143	260'716
CBM International	335'255	189'838
Department of Foreign Affairs and Trade / Australia - AUSAID	330'974	352'463
Department of Foreign Affairs and Trade / Australia - IDF	26'836	-
Department For International Development / UK	694'913	-
Disability Rights Fund	191'620	228'770
DPOD	10'814	-
Fundación Universia	-	23'583
Fundación ONCE	3'738	-
Humanite & Inclusion (<i>Formerly Handicap International</i>)	113'852	30'392
Ministry of Foreign Affairs Finland	-	164'032
Ministry of Foreign Affairs of Germany	20'990	-
Open Society Foundation	525'189	304'405
Other donors	19'196	58'325
Swedish International Development Cooperation Agency	722'103	657'570
Sightsavers	133'697	35'194
United Nations Population Fund	18'518	45'018
	3'803'837	2'350'306

4 - Expenses by budget headlines

	31.12.2017	31.12.2016
	CHF	CHF
Human Resources	-1'526'390	-721'657
Governance / General Assembly / Board meeting	-174'529	-146'028
Project Costs	-1'768'133	-1'222'352
<i>Support to Members - Fellowships and NOLB Program</i>	-230'902	-
<i>Influencing Agenda 2030 implementation and monitoring, including by the UN</i>	-465'078	-267'288
<i>Influencing for CRPD-compliance of Human Rights system</i>	-243'413	-136'385
<i>Building technical capacities for advocacy and accountability</i>	-522'377	-542'278
<i>Support to Indigenous Persons with Disabilities Global Network</i>	-49'915	-73'698
<i>Art 11 project-Inclusion of Persons with disabilities in Humanitarian Action</i>	-49'802	-
<i>Fiscal sponsorship</i>	-206'647	-202'703
Support Costs	-242'352	-174'039

Reasonable accomodation staffs	-41'737	-71'255
VAT & Finance	-50'696	-14'975
	<u>-3'803'837</u>	<u>-2'350'306</u>

Note on Human Ressources costs:

a) Personnel Costs expressed in 2017 income statement amount to 1,568,127.15 CHF in 2017. This amount is equivalent to the Human Resources headline (1,526,390 CHF) and the Reasonable Accomodation costs of staffs headline (41,737 CHF).

b) Increase in Human Resources costs between 2016 and 2017 was principally due to the integration of IDA New York employees costs in IDA accounts since April 1st 2017. Until April 1st 2017, IDA NY employees were under the fiscal sponsorship of the European Disability Forum, based in Brussels, Belgium and therefore were not considered in IDA Financial Statements.

Up to 31 December 2017, IDA employs 7 staffs in New York, including 2 staffs as fiscal sponsor of CBM in the US.

IDA New York Based employees costs represented a total amount of 626,243.79 CHF in 2017 to compare with a total increase of Personnel Costs of 846,469.80 CHF

Note on Fiscal sponsorships:

The International Disability Alliance supports the work of the UN Special Rapporteur on the Rights of Persons with Disabilities, the TCI Asia-Pacific and CBM United States (the fiscal sponsorship recipients) with grant management and contracting employees on their behalf.

These entities could not directly engage with some Donors due to administrative capacities, national legislation ruling civil society funding or registration issues.

Within the frame of fiscal sponsorship, IDA limits its support to receiving funds, ensuring compliance of the spending with Swiss and US legislation where IDA is legally incorporated, and with Donors' regulations.

IDA fully respects the independence of the Fiscal Sponsorship Recipient and does not interfere with any decisions of the Fiscal Sponsorship Recipient's Management. IDA recognizes the Recipient as the grantee and therefore the absolute responsible party for grant implementation. Further, the Fiscal sponsorship Recipient is ultimately responsible for any decision-making regarding the allocation of resources to different activities, in accordance with the grant agreement. Therefore IDA cannot be held responsible for any results and/or outcomes stated in the grant application, which would be partially or wholly not achieved by the Fiscal Sponsorship Recipient in the agreed time frame.

5 - Financial cost

	31.12.2017 CHF	31.12.2016 CHF
Interest expenses	-16'732	-9'721
Foreign exchange losses	-69'804	-12'757
	<u>-86'536</u>	<u>-22'478</u>

6-Financial Profits

	31.12.2017 CHF	31.12.2016 CHF
Other Financial Profits	84	71
Foreign exchange Profits	22'986	5'285
	<u>23'070</u>	<u>5'356</u>

7 - Income related to other periods

The income related to previous years amounts to 1,415.33 CHF which are broken down as followed:

- 244.33 CHF: This exceptional income is due to the reversal of the VAT provision constituted in 2016. The provision has been reversed as the Swiss Administration has defined the proper taxation to be applied.

-1,171.30 CHF: Regularisation of previous LPP balances

8- Liabilities to pension schemes

	<u>2'031</u>	<u>-525.75</u>
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9- The average number of full-time equivalents for the year was:

Up to 31/12/2017 IDA has 19 employees: 11 employees in Geneva Office (2 employees as fiscal sponsor), 7 Employees in New York Office (2 employees as fiscal sponsor) and 1 employee in France.