

To the Board of Trustees of

International Disability Alliance, Le Grand-Saconnex

Lausanne, 13 May 2019

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of International Disability Alliance, which comprise the balance sheet, income statement and notes for the year ended 31 December 2018.

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 2018 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

Licensed audit expert
(Auditor in charge)

Licensed audit expert

Enclosure

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

International Disability Alliance, Le Grand-Saconnex

BALANCE SHEET AS OF 31 DECEMBER 2018

	NOTE	31.12.2018	31.12.2017
		<u>CHF</u>	<u>CHF</u>
ASSETS			
Current assets			
Cash and cash equivalents		932'226	87'536
Other trade and receivable		55'768	19'494
Prepaid expenses		34'081	43'944
Accrued income	8.A	264'221	405'943
Total current assets		<u>1'286'298</u>	<u>556'917</u>
Non Current assets			
Deposits		13'826	13'825
Fixed assets		4'540	5'124
Total non current assets		<u>18'366</u>	<u>18'949</u>
TOTAL ASSETS		<u>1'304'664</u>	<u>575'866</u>

International Disability Alliance, Le Grand-Saconnex

BALANCE SHEET AS OF 31 DECEMBER 2018

	NOTE	31.12.2018	31.12.2017
		<u>CHF</u>	<u>CHF</u>
LIABILITIES AND EQUITY			
Short-term liabilities			
Trade accounts payable		229'532	97'844
to third parties		228'545	97'532
to management bodies		987	312
Remuneration and social security		8'966	-
Short-term interest-bearing liabilities		2'530	3'310
Accrued expenses		51'958	11'000
Deferred income	8.B	997'933	449'968
Total short-term liabilities		1'290'920	562'121
Total liabilities		1'290'920	562'121
Equity			
Free reserve		13'744	13'744
Total equity		13'744	13'744
TOTAL EQUITY AND LIABILITIES		1'304'664	575'866

International Disability Alliance, Le Grand-Saconnex

INCOME STATEMENT 2018

	NOTE	31/12/2018	31/12/2017
		<u>CHF</u>	<u>CHF</u>
Operating income	8.C	5'924'159	3'803'837
Operating expenses		- 3'838'852	- 2'167'602
Gross margin		<u>2'085'307</u>	<u>1'636'236</u>
Personnel expenses		- 1'931'172	- 1'568'127
Other operating expenses		- 8'203	- 3'497
Depreciations		- 3'544	- 2'562
Earnings before interest		<u>142'387</u>	<u>62'050</u>
Financial losses	8.E	- 183'998	- 86'536
Financial profits	8.F	41'611	23'070
Income related to other periods	8.G	-	1'415
ANNUAL BALANCE		<u>0</u>	<u>0</u>

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

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

All expenses spent by IDA are related to grant agreements and based upon budget proposals agreed with the Donors. Consequently, IDA cannot make benefits on any funding.

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 31/12/2018.

2. 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).

3. Statutes and location 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

4. Registrations 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.

5. Exchange rate:

In 2018, the exchange rate used for daily transactions in IDA accounts is the official exchange rate from the Swiss Fiscal Federal Administration:

<https://www.estv.admin.ch/estv/fr/home/mehrwertsteuer/dienstleistungen/fremdwaehrungskurse/monatsmittelkurse/aktueller-monatsmittelkurs.html>

Exchange rates used for annual closing work come from UBS bank accounts annual certifications. The exchange rates for each currency as of 31/12/2018 are as followed:

	31/12/2018	31/12/2017
	Value for 1 CHF	Value for 1 CHF
USD	1.014400	1.026167
NOK	8.783900	
EURO	0.887400	0.854570
GBP	0.796500	
AUD	1.440900	1.311983

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 31/12/2018 with the existing balance in IDA accounts.

6. Valuation Rules - Assets:

FIXED TANGIBLE ASSETS

- 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 2018 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

Other office equipment

- Meeting room table, 3 years linear

An inventory of fixed tangible assets is performed on 31/12/2018 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)

- Prepaid expenses are expenses for 2019 that have been paid in 2018.

4. Accrued income:

Amounts of the contracts for which expenses were made during 2018 and will be paid by the donor in 2019.

7. Valuation Rules – Liabilities

EQUITY

1. Free Reserve

- 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 31/12/2018.

DEBTS

1. Deferred income

- Total subsidies granted for several years and not yet used as of 31st of December 2018.

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

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

	31/12/2018	31/12/2017
	CHF	CHF
Action Disability Development		3,176
Department of Foreign Affairs and Trade / Australia - AUSAID		16,248
Department Of For International Development / UK	133,345	-
CBM	48,658	107,268
Disability Rights Fund		13,874
GIZ -Germany	5,571	
Humanite & Inclusion (<i>Formerly Handicap International</i>)	45,792	116,734
Ministry of Foreign Affairs Luxembourg	8,265	
Sightsavers		3,190
Open Society Foundation		142,538
Fundación ONCE	22,590	1,583
Other donors		1,333
	264,221	405,943

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

	31/12/2018	31/12/2017
	CHF	CHF
US Private Foundation - Anonymous	112,549	6,296
CBM	40,094	
Department of Foreign Affairs and Trade / Australia - AUSAID	405,456	54,615
Department Of For International Development / UK	18,098	26,140
Disability Rights Fund	92,149	61,235
DPOD	57,550	
Norway Ministry of Foreign Affairs	6,901	
Open Society Foundation	247,793	252,413
Others	17,343	
Ford Foundation		49,269
	997,933	449,968

C. Operating Income per donor:

	31/12/2018	31/12/2017
	CHF	CHF
US Private Foundation - Anonymous	342,100	656,143
CBM International	595,957	335,255
Department of Foreign Affairs and Trade / Australia - AUSAID	548,815	330,974
Department of Foreign Affairs and Trade / Australia - IDF	83,823	26,836
Department For International Development / UK	1,092,406	694,913
Disability Rights Fund	257,607	191,620
DPOD	-	10,814
Ford Foundation	136,640	
Fundación ONCE	52,458	3,738
Humanite & Inclusion (<i>Formerly Handicap International</i>)	169,214	113,852
Ministry of Foreign Affairs Finland	572,123	-
Ministry of Foreign Affairs of Germany	59,638	20,990
Ministry of Foreign Affairs of Norway	282,401	
Open Society Foundation	641,505	525,189
Other donors	66,872	19,196
Swedish International Development Cooperation Agency	664,836	722,103
Sightsavers	309,834	133,697
UNICEF	47,930	
United Nations Population Fund		18,518
	5,924,159	3,803,837

D. Expenses by budget headlines:

	31/12/2018	31/12/2017	
	CHF	CHF	%
Personnel expenses	- 1,931,172	- 1,568,127	23.15%
Salaries and benefits	-1,754,271	-1,526,390	14.93%
Reasonable accomodation staffs	-176,901	-41,737	323.85%
Operating Expenses	- 3,838,852	- 2,167,602	77.10%
A. Governance / General Assembly / Board meeting	-214,567	-173,136	23.93%
Governance / General Assembly / Board meeting	-214,649	-174,529	22.99%
Governance costs transferred to Taxes & Finance	82	1,393	-94.13%
B. Project Costs	-3,134,964	-1,763,792	77.74%
Support to Members - Fellowships and NOLB Program	-497,833	-230,902	115.60%
Influencing Agenda 2030 implementation and monitoring, including by the UN	-1,167,274	-465,078	150.98%
Influencing for CRPD-compliance of Human Rights system	-219,858	-243,413	-9.68%
Building technical capacities for advocacy and accountability	-559,614	-522,377	7.13%
Support to Indigenous Persons with Disabilities Global Network	-51,109	-49,915	2.39%
Art 11 project-Inclusion of Persons with disabilities in Humanitarian Action	-306,073	-49,802	514.57%
Fiscal sponsorship	-389,872	-206,647	88.67%
Project Financial costs transferred to Taxes & Finance	56,670	4,328	1209.39%
Project Financial costs transferred to Other Operating Costs		13	-100.00%
C. Fundraising and Operational Coordination	-161,093	-	100.00%
D. Support Costs	-328,228	-230,674	42.29%
Support Costs	-331,782	-242,352	36.90%
Depreciations transferred to Depreciations	3,544	2,562	38.36%
Taxes transferred to Other operating costs	11		100.00%
Support costs transferred to Taxes and Finance		10,288	-100.00%
Support costs transferred to income from other periods		-1,171	-100.00%
Depreciations	- 3,544	- 2,562	38.36%
Other Operating costs	- 8,203	- 3,497	134.61%
Taxes & Finance	- 142,387	- 63,466	124.35%
Taxes and Financial costs	-93,828	-50,696	85.08%
Governance costs transferred to Taxes & Finance	-82	-1,393	-94.13%
Project Financial costs transferred to Taxes & Finance	-56,670	-4,328	1209.39%
Support costs transferred to Taxes and Finance		-10,288	-100.00%
Taxes and Finance costs transferred to Other Operating costs	8,193	3,483	135.21%
Taxes and Finance costs transferred to income from other periods		-244	-100.00%
Income related to other periods	-	1,415	-100.00%
TOTAL EXPENSES	-5,924,159	-3,803,837	55.74%

Note on Fundraising and Operational Coordination costs (from budget above)

A new budget headline has been created and cover the following expenses: 1/ Secretariat Coordination and Executive Director travels; 2/ Fundraising costs; 3/ Coordination costs with IDDC and IDA strategic partners; 4/ IDA Program Committee; 5/ Communication and Social Media costs

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.

E. Financial losses:

	31/12/2018	31/12/2017
	CHF	CHF
Interest expenses	-21,228	-16,732
Foreign exchange losses	-162,770	-69,804
	<u>-183,998</u>	<u>-86,536</u>

F. Financial profits

	31/12/2018	31/12/2017
	CHF	CHF
Other Financial Profits	72	84
Foreign exchange Profits	41,539	22,986
	<u>41,611</u>	<u>23,070</u>

Overall, the balance of financial losses and profits represented 2.39% of the total budget, compared to 1.67% in 2017.

G. Income related to other periods:

	31/12/2018	31/12/2017
	CHF	CHF
	<u>-</u>	<u>1,415</u>

H. Liabilities to pension schemes

31/12/2018	31/12/2017
CHF	CHF
<hr/> 253	<hr/> 2,031

I. Up to 31/12/2018 IDA has 20 employees:

	31/12/2018	31/12/2017
	EFT	EFT
Geneva Office	11	11
<i>incl fiscal sponsor</i>	2	2
New York Office	6	7
<i>incl fiscal sponsor</i>	1	2
French Office	1	1
Serbian Office	1	
Indian Office	1	
	<hr/> 20	<hr/> 19