

ARCHIVE Global

FINANCIAL STATEMENTS
December 31, 2013 and 2012

ARCHIVE Global
New York, New York

FINANCIAL STATEMENTS

December 31, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
ARCHIVE Global
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of ARCHIVE Global, which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year 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.

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 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.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARCHIVE Global as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The 2012 financial statements were reviewed by us and our report thereon, dated February 10, 2014, stated we were not aware of any material modifications that should be made to those statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Crowe Horwath LLP

Crowe Horwath LLP

New York, New York
August 11, 2014

ARCHIVE Global
STATEMENTS OF FINANCIAL POSITION
December 31, 2013 and 2012

Assets	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 174,137	\$ 314,660
Prepaid expenses	1,000	-
Other assets	1,470	-
Loan to executive director	<u>-</u>	<u>4,000</u>
 Total assets	 <u>\$ 176,607</u>	 <u>\$ 318,660</u>
 Liabilities		
Accounts payable and accrued expenses	\$ 62,045	\$ -
 Net assets		
Unrestricted	16,391	26,038
Temporarily restricted	<u>98,171</u>	<u>292,622</u>
Total net assets	<u>114,562</u>	<u>318,660</u>
 Total liabilities and net assets	 <u>\$ 176,607</u>	 <u>\$ 318,660</u>

See accompanying notes to financial statements

ARCHIVE Global
STATEMENTS OF ACTIVITIES
Year ended December 31, 2013, with comparative 2012 totals

	2013			2012
	Unrestricted	Temporarily Restricted	Total	
Revenue and other support				
Grants	\$ -	\$ 164,310	\$ 164,310	\$ 325,136
Contributions	20,204	-	20,204	3,045
Proceeds from fund raisers, net of direct benefit costs	6,152	-	6,152	-
Net assets released from restrictions	<u>358,761</u>	<u>(358,761)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	385,117	(194,451)	190,666	328,181
Expenses				
Program services	342,330	-	342,330	10,443
Supporting services	<u>52,861</u>	<u>-</u>	<u>52,861</u>	<u>5,278</u>
Total expenses	395,191	-	395,191	15,721
Other income				
Interest and other income	<u>427</u>	<u>-</u>	<u>427</u>	<u>2,869</u>
Changes in net assets	(9,647)	(194,451)	(204,098)	315,329
Net assets, beginning	<u>26,038</u>	<u>292,622</u>	<u>318,660</u>	<u>3,331</u>
Net assets, ending	<u>\$ 16,391</u>	<u>\$ 98,171</u>	<u>\$ 114,562</u>	<u>\$ 318,660</u>

See accompanying notes to financial statements

ARCHIVE Global
 STATEMENT OF ACTIVITIES
 Year ended December 31, 2012

	Unrestricted	Temporarily Restricted	Total
Revenue and other support			
Grants	\$ -	\$ 325,136	\$ 325,136
Contributions	3,045	-	3,045
Net assets released from restrictions	32,514	(32,514)	-
Total revenue and other support	35,559	292,622	328,181
Expenses			
Program services	10,443	-	10,443
Supporting services	5,278	-	5,278
Total expenses	15,721	-	15,721
Other income			
Interest and other income	2,869	-	2,869
Changes in net assets	22,707	292,622	315,329
Net assets, beginning	3,331	-	3,331
Net assets, ending	\$ 26,038	\$ 292,622	\$ 318,660

See accompanying notes to financial statements

ARCHIVE Global
 STATEMENTS OF FUNCTIONAL EXPENSES
 Year ended December 31, 2013, with comparative 2012 totals

	Housing and Health Programs	Management and General	2013 Total	2012 Total
Project partners	\$ 195,110	\$ -	\$ 195,110	\$ 3,718
Salaries and wages	58,486	26,944	85,430	-
Professional services and consultants	44,448	12,275	56,723	-
Travel	16,465	5,488	21,953	3,336
Transportation	2,301	767	3,068	-
Food and beverage	1,802	601	2,403	3,580
Rent	11,485	3,828	15,313	-
Insurance	3,077	1,026	4,103	-
IT costs	2,695	899	3,594	880
Supplies and materials	5,076	189	5,265	80
Utilities	1,282	427	1,709	1,059
Miscellaneous	103	417	520	3,068
	<u>\$ 342,330</u>	<u>\$ 52,861</u>	<u>\$ 395,191</u>	<u>\$ 15,721</u>

See accompanying notes to financial statements

ARCHIVE Global
STATEMENT OF FUNCTIONAL EXPENSES
Year ended December 31, 2012

	<u>Housing and Health Programs</u>	<u>Management and General</u>	<u>2012 Total</u>
Project partners	\$ 3,718	\$ -	\$ 3,718
Travel	2,502	834	3,336
Food and beverage	1,161	2,419	3,580
IT costs	660	220	880
Supplies and materials	60	20	80
Utilities	794	265	1,059
Miscellaneous	<u>1,548</u>	<u>1,520</u>	<u>3,068</u>
	\$ 10,443	\$ 5,278	\$ 15,721

See accompanying notes to financial statements

ARCHIVE Global
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2013 and 2012

Cash flows from operating activities

Change in net assets	\$ (204,098)	\$ 315,329
Adjustments to reconcile increase in net assets to net cash provided in operating activities		
Changes in assets and liabilities		
Prepaid expenses	(1,000)	-
Other assets	(1,470)	-
Accounts payable and accrued expenses	<u>62,045</u>	<u>-</u>
Net cash (used in) provided by operating activities	(144,523)	315,329

Cash flows used in investing activities

Loan to executive director	-	(4,000)
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Cash flows from financing activities

Repayment of loan from executive director	-	(3,000)
Repayment of loan to executive director	<u>4,000</u>	<u>-</u>
Net cash provided by (used in) financing activities	4,000	(3,000)

Net (decrease) increase in cash and cash equivalents

(140,523) 308,329

Cash and cash equivalents at beginning of year

314,660 6,331

Cash and cash equivalents at end of year

\$ 174,137 \$ 314,660

See accompanying notes to financial statements

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ARCHIVE Global (Organization) was organized in 2006 as The ARCHIVE Institute, a New Jersey nonprofit corporation, for charitable purposes and conducts research aimed at increasing awareness of how the built environment contributes to disease both in the developing and developed world. The Organization's primary goal is to promote an integrated, systems approach to housing and health and through its projects hopes to influence policy and pioneer impact investment.

The Organization receives support from four sources. Grants from charitable foundations are a primary revenue stream. Contributions and donations-in-kind from individuals and corporations are significant revenue sources. Public sector funds provide additional program-specific support.

Financial Statement Presentation: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP). The Organization reports its financial position and activities according to three classes of assets as follows:

- Unrestricted net assets, which represent net assets of the Organization which are expendable for carrying on the Organization's operations and are not subject to any donor-imposed stipulations.
- Temporarily restricted net assets, which represent net assets restricted by the donor, grantor, or other outside party for a specific purpose or until the passage of time.
- Permanently restricted net assets, which represent net assets that are subject to restriction by gift instruments requiring that the principal be invested in perpetuity and only the income be expended, or assets donated with the provision that they not be sold.

Contributions: Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Functional Allocation of Expenses: The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between the programs and supporting services.

Income Taxes: The Organization is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. Accordingly, no provision has been made for federal or state income taxes.

U.S. GAAP prescribes recognition thresholds and measurement attributes for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Tax benefits will be recognized only if the tax position is more-likely-than-not sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. Management has concluded that they are unaware of any tax benefits or liabilities to be recognized at December 31, 2013 and 2012.

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NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization is no longer subject to examination by U.S. federal or state taxing authorities for years before 2010. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

The Organization would recognize interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. The Organization has no amounts accrued for interest or penalties as of December 31, 2013 and 2012.

Estimates: 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services and In-Kind Contributions: Contributions of services are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended December 31, 2013 and 2012, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, a substantial number of volunteers have donated significant amounts of their time in service to the Organization; however, no amounts have been reflected in the accompanying financial statements for the value of these donated services because they do not meet the recognition criteria.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains bank accounts that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at these institutions may exceed federally insured limits. The amount in excess of the FDIC limit at December 31, 2012 was approximately \$63,000.

NOTE 3 - CONDITIONAL GRANT

The Organization received a grant commitment during the year ended December 31, 2012 from a foundation for a total of 900,000 Swiss Francs. The grant will be paid through September 2014 as long as certain milestones and conditions are met by the Organization. As of December 31, 2013, 450,000 Swiss Francs totaling \$489,446 in US Dollars has been received. The grant amounts received have been recorded as temporarily restricted based on the donor restrictions related to the use of funds. The granted funds are restricted for specified projects in Cameroon and Haiti related to improving living conditions and health outcomes for individuals in those two countries, as well as up to 10% of the grant for administrative costs of the Organization.

Net assets of \$358,761 and \$32,514 were released from restriction during the year ended December 31, 2013 and 2012, respectively, based on the meeting the grant requirements for program service spending on international housing and health programs or meeting the restriction for use on administrative costs. At December 31, 2013 and 2012, all temporarily restricted net assets are related to the program restrictions of this grant.

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NOTE 4 - RELATED PARTY

The organization had \$4,000 in an interest free loans receivable from the executive director of ARCHIVE Global at December 31, 2012, which was payable on demand. The loan was paid back in full during the year ended December 31, 2013.

NOTE 5 - SUBSEQUENT EVENTS

The Organization has performed an evaluation of subsequent events through August 11, 2014, which is the date the financial statements were available to be issued, and did not note any transaction that requires adjustments to, or disclosure in, the accompanying financial statements.