

**MEEDAN, INC.**

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**SCHEDULE OF EXPENSES ACTUAL AND BUDGET FOR iMEEDAN PROJECT**

For the period from July 4, 2011 through August 31, 2014



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**MEEDAN, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Meedan, Inc.

We have audited the accompanying Schedule of Expenses Actual and Budget for the project iMeedan: Sorting, Translating and Disseminating Citizen Reporting in the Arab Region (iMeedan Project) for the period from July 4, 2011 through August 31, 2014, and the related notes to the schedule.

### Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule 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 the schedule that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on the schedule 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 schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule, 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 schedule 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 schedule.

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 Schedule of Expenses Actual and Budget for the iMeedan Project referred to above presents fairly, in all material respects, the actual and budgeted expenses as described in Note 2 incurred for the iMeedan Project of Meedan, Inc. for the period from July 4, 2011 through August 31, 2014 in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors of  
Meedan, Inc.

### **Emphasis of Matter**

We draw attention to Note 2 to the schedule, which describes that the accompanying Schedule of Expenses Actual and Budget for the iMeedan Project was prepared for the purpose of reporting allowable actual expenses on the accrual basis of accounting in accordance with the terms and conditions of the iMeedan Project Agreement between the SIDA and Meedan, Inc. dated July 4, 2011, and are not intended to be a complete presentation of the iMeedan Project's revenue and expenses. Our opinion is not modified with respect to that matter.

### **Restriction on Use**

This report is intended solely for the information and use of the board of directors and management of Meedan, Inc. and SIDA and is not intended to be and should not be used by anyone other than these specified parties.

*Burr Rieger Mayer, cpa.*

E. Palo Alto, California  
October 14, 2014

**MEEDAN, INC.****SCHEDULE OF EXPENSES ACTUAL AND BUDGET FOR iMEEDAN PROJECT**

For the period from July 4, 2011 through August 31, 2014

|                                                 | Actual                 | Budget                 | Difference        |
|-------------------------------------------------|------------------------|------------------------|-------------------|
|                                                 | <u>Phase 1 &amp; 2</u> | <u>Phase 1 &amp; 2</u> | <u>Difference</u> |
| Human resources expense:                        |                        |                        |                   |
| Technical Trainers 20 days                      | \$ 9,960               | \$ 10,000              | \$ 40             |
| Media Partner 1                                 | 75,456                 | 73,720                 | (1,736)           |
| Media Partner 2                                 | 75,411                 | 73,720                 | (1,691)           |
| Media Partner 3                                 | 75,456                 | 73,720                 | (1,736)           |
| Media Partner 4                                 | 72,989                 | 73,720                 | 731               |
| Media Partner 5                                 | -                      | 14,280                 | 14,280            |
| Meedan User Experience Lead                     | 209,739                | 159,960                | (49,779)          |
| Meedan Back End Developer                       | 225,469                | 198,000                | (27,469)          |
| Meedan Front End Developer                      | 95,605                 | 81,600                 | (14,005)          |
| Meedan Q/A testing                              | 20,385                 | 28,360                 | 7,975             |
| Meedan Project Lead                             | 133,291                | 123,750                | (9,541)           |
| Meedan Translation Manager                      | 37,000                 | 44,720                 | 7,720             |
| Meedan Systems Engineer                         | 70,016                 | 46,440                 | (23,576)          |
| Employee payroll taxes                          | 21,839                 | 46,761                 | 24,922            |
| Birmingham City University Researcher           | 62,006                 | 59,760                 | (2,246)           |
| Birmingham City University Research Supervisor  | 20,400                 | 20,400                 | -                 |
| Abroad - Meedan team in Egypt                   | 2,640                  | 13,760                 | 11,120            |
| Local - Trainers on travel for workshops        | -                      | 2,880                  | 2,880             |
|                                                 | <u>1,207,662</u>       | <u>1,145,551</u>       | <u>(62,111)</u>   |
| Total human resources expense                   |                        |                        |                   |
| Other operating expenses:                       |                        |                        |                   |
| International travel                            | 26,198                 | 30,600                 | 4,402             |
| Office rent - Cairo office                      | 23,661                 | 20,700                 | (2,961)           |
| Consumables - office supplies                   | -                      | 2,625                  | 2,625             |
| Other services                                  | -                      | 3,150                  | 3,150             |
| External audit - Meedan                         | 15,000                 | 22,000                 | 7,000             |
| External audit - Partners                       | 16,455                 | 48,750                 | 32,295            |
| Translation - Interpreters                      | 2,841                  | 13,800                 | 10,959            |
| Costs of workshops                              | 48,557                 | 51,600                 | 3,043             |
|                                                 | <u>132,712</u>         | <u>193,225</u>         | <u>60,513</u>     |
| Total other operating expenses                  |                        |                        |                   |
| Contingency reserve for overhead - 5% of actual | <u>66,939</u>          | <u>66,939</u>          | <u>-</u>          |
| Total expenses                                  | <u>\$ 1,407,313</u>    | <u>\$ 1,405,715</u>    | <u>\$ (1,598)</u> |

The accompanying notes are an integral part of this schedule.

## MEEDAN, INC.

### NOTES TO SCHEDULE OF EXPENSES ACTUAL AND BUDGET FOR iMEEDAN PROJECT

For the period from July 4, 2011 through August 31, 2014

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#### 1. Nature of Organization

Meedan, Inc. (“Meedan” or “the Organization”) is a nonprofit social technology company. Meedan’s mission is to forward cross-cultural understanding and collaboration by providing people, partners and communities with advanced technologies to exchange ideas, information and knowledge across languages, focusing primarily on English and Arabic. Meedan combines translation services with digital tools to enable cross-lingual knowledge-sharing and dialogue in the key areas of interfaith, education, micro-finance, media, and poetry, as well as providing specialized translation services.

##### *iMeedan Project*

The iMeedan: Sorting, Translating & Disseminating Citizen Reporting in the Arab Region project intends to carry out the following objectives:

- Wider use of enabling technology in support of citizen journalism verification and interpretation.
- Improved and developed activities of assessing credibility of citizen content among Egyptian and regional media audiences (media literacy).
- Improved quality of published citizen reports in Egyptian and regional media outlets, including better indicators of the likely veracity of the information contained.
- Increased plurality of voices in Egyptian and regional media outlets.
- Improved access to credible and accurate citizen reporting on Egyptian and Middle Eastern politics.

#### 2. Summary of Significant Accounting Policies

##### *Basis of Accounting and Presentation*

The accompanying Schedule of Expenses Actual and Budget for iMeedan Project (the Schedule) have been prepared on the accrual basis of accounting in accordance with the terms and conditions as stated in the iMeedan Project Agreement between the Swedish International Development Cooperation Agency (SIDA) and Meedan, Inc. The schedule only includes allowable actual expenses compared to the budget approved for the iMeedan Project.

##### *Incomplete Financial Statement Presentation*

The schedule of Expenses Actual and Budget for the iMeedan Project includes allowable actual expenses but was not intended to be a complete presentation of the iMeedan Project’s Revenues and Expenses. Accordingly, such information does not constitute a financial statement presentation in conformity with generally accepted accounting principles.

#### 3. Interest Earned and Unspent Balances

Meedan received five grant payments totaling \$1,364,130 for the period from July 1, 2011 to August 31, 2014. The total interest earned on Meedan’s accounts during the Phase 1 and Phase 2 period was \$394. There were no unspent grant funds as of August 31, 2014.

Continued

## MEEDAN, INC.

### NOTES TO SCHEDULE OF EXPENSES ACTUAL AND BUDGET FOR iMEEDAN PROJECT

For the period from July 4, 2011 through August 31, 2014

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#### 4. Contingency Reserve for Overhead

The Organization incurred costs that are indirect costs or overhead including insurance, occupancy, office supplies, telephone, internet and other similar costs that were allocated to the iMeedan Project based on an allocation of iMeedan salaries to total salaries. The total costs incurred for overhead exceeded the 5% allowed. The Schedule only reflects the overhead amount allowed which is 5% of budgeted expenses for the project.

#### 5. Budget Line Item Overages

The Organization incurred additional costs related to other operating expenses for the iMeedan Project that were in excess of the position outlined in the budget. The Schedule reports those overages by budget line item. Correspondence with SIDA indicated the ability to have minor shifts between budget items. The total expenses for operating expenses on the Schedule for the period July 4, 2011 to August 31, 2014 were \$60,513 under budget. Additionally, total salary related expenses within the human resources category were over budget by \$62,111 for the period July 4, 2011 to August 31, 2014. The above mentioned variances created a net over budget variance of \$1,598 for the iMeedan Project for the period July 4, 2011 to August 31, 2014.

#### 6. Foreign Currency

The Organization incurred a loss of \$42,684 in the foreign currency exchange rate which has not been reflected in the Schedule.

#### 7. Subsequent Events

The Organization evaluated subsequent events for recognition and disclosure, as they pertain to the Schedule, through October 14, 2014, the date which this Schedule was available to be issued. The Organization has determined there were no material subsequent events that required recognition or disclosure.