

INTERNATIONAL CRISIS AID, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2015

INTERNATIONAL CRISIS AID, INC.

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Fick, Eggemeyer & Williamson

Certified Public Accountants, PC



MEMBERS OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
International Crisis Aid, Inc.
St. Louis, MO

We have audited the accompanying financial statements of International Crisis Aid, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Crisis Aid, Inc. as of December 31, 2015, 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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA's
St. Louis, MO
February 3, 2016

INTERNATIONAL CRISIS AID, INC.
STATEMENT OF FINANCIAL POSITION

December 31,

2015

ASSETS

Cash and cash equivalents	\$ 1,397,189
Investments	2,890
Prepaid expenses	403
Deposit	2,000
Property and equipment (Net of accumulated depreciation) - note 5	3,949
	<hr/>
Total assets	<u>\$ 1,406,431</u>

LIABILITIES AND NET ASSETS

Accounts payable	<u>\$ 37,576</u>
Total liabilities	<hr/> 37,576
Net assets	
Unrestricted	197,164
Temporarily restricted	1,171,691
Permanently restricted	-
	<hr/>
Total net assets	<hr/> 1,368,855
Total liabilities and net assets	<u>\$ 1,406,431</u>

See accompanying notes and independent auditor's report

INTERNATIONAL CRISIS AID, INC.
STATEMENT OF ACTIVITIES

For the year ended December 31,				2015
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
General donations	\$ 776,116	\$ -	\$ -	\$ 776,116
Restricted income	-	2,248,694	-	2,248,694
In-kind contribution	41,870	-	-	41,870
Total support and revenue	817,986	2,248,694	-	3,066,680
Net assets released from restrictions	1,456,796	(1,456,796)	-	-
	2,274,782	791,898	-	3,066,680
Program expenses				
Project expenses	2,171,170	-	-	2,171,170
Total program expenses	2,171,170	-	-	2,171,170
Support expenses				
General and administration	199,954	-	-	199,954
Fundraising	31,521	-	-	31,521
Total support expenses	231,475	-	-	231,475
Total expenses	2,402,645	-	-	2,402,645
Changes in net assets	(127,863)	791,898	-	664,035
Net assets, beginning of year	325,027	379,793	-	704,820
Net assets, end of year	\$ 197,164	\$ 1,171,691	\$ -	\$ 1,368,855

See accompanying notes and independent auditor's report

INTERNATIONAL CRISIS AID, INC.
STATEMENT OF CASH FLOWS

<u>For the year ended December 31,</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ 664,035
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	2,669
Changes in assets and liabilities:	
(Increase) decrease in prepaid expenses	1,847
Increase (decrease) in accounts payable	<u>22,309</u>
Net cash provided by (used in) operating activities	<u>690,860</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(1,767)
Purchase of fixed assets	<u>(672)</u>
Net cash provided by (used in) investing activities	<u>(2,439)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
None	<u>-</u>
Net cash provided by (used in) financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>688,421</u>
Cash and cash equivalents - beginning of year	<u>708,768</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,397,189</u></u>

See accompanying notes and independent auditor's report

INTERNATIONAL CRISIS AID, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

International Crisis Aid, Inc. is organized as a non-profit corporation. The Organization's purpose is to assist in sustaining life, bring encouragement to those suffering and to assist in facilitating other relief organizations by bringing necessary materials, food and medicines to people who are in crisis situations.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with auditing standards generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Income Taxes

The Organization is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code. Therefore, no provision is made for taxes on income.

The Organization adopted the provisions of Accounting for Uncertainty in Income Taxes on January 1, 2011. The adoption of that guidance resulted in no change to the financial statements for prior periods. As of December 31, 2015, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed prior to fiscal 2013 are closed.

Fixed Assets and Depreciation

Fixed assets are recorded at cost or, in the case of donated property, at their estimated fair market value at the date of the donation. Depreciation of fixed assets is provided over the estimated useful lives of the respective assets on a straight-line basis. Software is depreciated over a useful life of three years, equipment is depreciated over a useful life of five years, and furniture is depreciated over a life of seven years.

Expenditures for repairs and maintenance are charged to operating expense as incurred. The cost of assets sold or returned and the related amounts of accumulated depreciation are eliminated from the accounts in the year of disposal, and the resulting gains or losses are included in operations.

Cash and Cash Equivalents

International Crisis Aid considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for the purposes of the statement of cash flows.

INTERNATIONAL CRISIS AID, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Organization's financial statement presentation complies with the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - represent resources over which the Board of Directors has unlimited discretionary control to carry out the activities of the Organization in accordance with the Articles of Incorporation and By-Laws.

Temporarily Restricted Net Assets - represent resources whose use is limited by donor-imposed restrictions that will be met either by actions of the Organization or by the passage of time.

Permanently Restricted Net Assets - are subject to donor-imposed stipulations that the net assets be retained and invested permanently. The Organization presently has no permanently restricted net assets.

Promises to Give

Contributions and grants are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions or grants are recognized. All other donor-restricted contributions and grants 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.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - DONATED SERVICES

The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition have not been satisfied.

INTERNATIONAL CRISIS AID, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 3 - CONCENTRATION OF CREDIT RISK

At December 31, 2015, the Organization's carrying amount of deposits with financial institutions was \$1,397,189 and the bank balance was \$1,399,347. Of the bank balance, \$548,826 was covered by federal depository insurance and \$850,521 was unsecured.

Note 4 - TEMPORARILY RESTRICTED FUND BALANCE

The Temporarily Restricted Fund Balance at December 31, 2015 was comprised of the following project balances:

Ethiopia Aleta Clinic	\$ 322,657
Ethiopia Child Sponsorship	11,754
Ethiopia Feeding	60,598
Ethiopia Pediatric Clinic	11,557
Monarch	56,957
Mission Support	23,013
Sabatta Girls Village	564,360
USA Home	86,295
Wells Project	34,500
	<u>\$ 1,171,691</u>

Note 5 - FIXED ASSETS AND DEPRECIATION

A summary of fixed assets as of December 31, 2015 follows:

Furniture	\$ 12,106
Equipment and software	<u>34,368</u>
Total	46,474
Less: Accumulated depreciation	<u>(42,525)</u>
Property and equipment, net	<u>\$ 3,949</u>

Depreciation policies are disclosed in Note 1. Depreciation expense for the year ended December 31, 2015 was \$2,669.

INTERNATIONAL CRISIS AID, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 6 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between project expenses, administration and fundraising. This allocation and the detail of the functional expense categories is provided on the statement of functional expenses on page 9.

Note 7 - OPERATING LEASES

The Organization leases office space from an Individual. In 2013 the lease agreement was amended, and the rent was increased to \$2,500 per month. The original lease term was for 3 years and expired in April 2014. The lease allowed for 2 one-year option periods after the initial lease expiration date.

The Organization leases a copier from Americom Imaging Systems, Inc. at a cost of \$249 per month. The lease term is 60 months ending November 2019.

At December 31, 2015, future minimum lease payments were as follows:

Year ending December 31,	
2016	\$ 12,988
2017	2,988
2018	2,988
2019	<u>2,739</u>
Total future minimum lease payments	<u>\$ 21,703</u>

Total lease payments for the year ended December 31, 2015 were \$32,988.

Note 8 - FAIR VALUE MEASUREMENTS

The Financial Accounting Standards Board establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1- Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

INTERNATIONAL CRISIS AID, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 8 - FAIR VALUE MEASUREMENTS (continued)

Level 2- Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3- Inputs to the valuation methodology are unobservable and significant to the fair value measurement

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015.

Stocks: Valued at closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2014:

	Level 1	Level 2	Level 3	Total
Stocks	\$ 2,890	\$ -	\$ -	\$ 2,890
Total at fair value	<u>\$ 2,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,890</u>

Note 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 3, 2016, the date which the financial statements were available for issue.

INTERNATIONAL CRISIS AID, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2015

	Project expenses	General and Administration	Fundraising	Total
Project expenses	\$ 1,761,348	\$ -	\$ -	\$ 1,761,348
Payroll and related expenditures	326,219	108,740	-	434,959
Office expense	3,008	20,906	-	23,914
Contributions to others	9,377	-	-	9,377
Insurance expense	-	2,628	-	2,628
Postage and delivery	-	4,761	4,761	9,522
Printing and copying	-	17,010	17,010	34,020
Organizational expenses	5,606	1,869	-	7,475
Professional fees	7,856	14,637	-	22,493
Telephone	5,242	1,310	-	6,552
Travel	11,426	-	-	11,426
Advertising	6,700	6,700	-	13,400
Occupancy	18,724	18,724	-	37,448
Fundraising	-	-	9,750	9,750
In-kind expenses	15,664	-	-	15,664
Depreciation expense	-	2,669	-	2,669
TOTAL	\$ 2,171,170	\$ 199,954	\$ 31,521	\$ 2,402,645

See accompanying notes and independent auditor's report