

INTERNATIONAL CRISIS AID, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2013

INTERNATIONAL CRISIS AID, INC.

CONTENTS

	<u>Pages</u>
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position	1
Statement of Activities	2
Statement of Cash Flows	3
Notes to Financial Statements	4-7
Statement of Functional Expenses	8



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, 2013, 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 of 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, 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

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 8 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

March 27, 2014

INTERNATIONAL CRISIS AID, INC.
STATEMENT OF FINANCIAL POSITION

December 31, 2013

ASSETS

Cash	\$ 542,213
Prepaid expenses	387
Deposit	2,000
Property and equipment (Net of accumulated depreciation) - note 5	7,699
	<hr/>
Total assets	<u>\$ 552,299</u>

LIABILITIES AND NET ASSETS

Accounts payable	<u>\$ 30,955</u>
Total liabilities	<u>30,955</u>
Net assets	
Unrestricted	70,652
Temporarily restricted	450,692
Permenantly restricted	-
	<hr/>
Total net assets	<u>521,344</u>
Total liabilities and net assets	<u>\$ 552,299</u>

See accompanying notes and independent auditor's report

INTERNATIONAL CRISIS AID, INC.
STATEMENT OF ACTIVITIES

For the year ended December 31,				2013
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
General donations	\$ 390,705	\$ -	\$ -	\$ 390,705
Restricted income	-	1,345,579	-	1,345,579
In-kind contribution	3,130	-	-	3,130
Interest income	-	347	-	347
Total support and revenue	393,835	1,345,926	-	1,739,761
Net assets released from restrictions	1,371,177	(1,371,177)	-	-
	1,765,012	(25,251)	-	1,739,761
Program expenses				
Project expenses	1,618,875	-	-	1,618,875
Total program expenses	1,618,875	-	-	1,618,875
Support expenses				
General and administration	157,349	-	-	157,349
Fundraising	25,590	-	-	25,590
Total support expenses	182,939	-	-	182,939
Total expenses	1,801,814	-	-	1,801,814
Changes in net assets	(36,802)	(25,251)	-	(62,053)
Net assets, beginning of year	107,454	475,943	-	583,397
Net assets, end of year	\$ 70,652	\$ 450,692	\$ -	\$ 521,344

See accompanying notes and independent auditor's report

INTERNATIONAL CRISIS AID, INC.
STATEMENT OF CASH FLOWS

For the year ended December 31,	2013
CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ (62,053)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	3,682
Changes in assets and liabilities:	
(Increase) decrease in prepaid expenses	(15)
Increase (decrease) in accounts payable	<u>22,336</u>
Net cash provided by (used in) operating activities	<u>(36,050)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
None	<u>-</u>
Net cash provided by (used in) investing activities	<u>-</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>(36,050)</u>
Cash - beginning of year	<u>578,263</u>
Cash - end of year	<u><u>\$ 542,213</u></u>

See accompanying notes and independent auditor's report

INTERNATIONAL CRISIS AID, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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, 2013, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed prior to fiscal 2011 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, 2013

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, 2013

Note 3 - CONCENTRATION OF CREDIT RISK

At December 31, 2013, the Organization's carrying amount of deposits with financial institutions was \$542,213 and the bank balance was \$494,031. Of the bank balance, \$434,082 was covered by federal depository insurance and \$59,949 was unsecured.

Note 4 - TEMPORARILY RESTRICTED FUND BALANCE

The Temporarily Restricted Fund Balance at December 31, 2013 was comprised of the following project balances:

Ethiopia Child Sponsorship	\$	12,989
Ethiopia Feeding		36,446
Tab bracelets		30,783
Ethiopia Projects		116,937
Miscellaneous Projects		5,664
Mission Support		68,349
SAFE Program		46,027
USA Home		113,096
Wells Project		20,401
		\$ 450,692

Note 5 - FIXED ASSETS AND DEPRECIATION

A summary of fixed assets as of December 31, 2013 follows:

Furniture		\$ 11,185
Equipment and software		33,146
Total		44,331
Less: Accumulated depreciation		(36,632)
Property and equipment, net		\$ 7,699

Depreciation policies are disclosed in Note 1. Depreciation expense for the year ended December 31, 2013 was \$3,682.

INTERNATIONAL CRISIS AID, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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 8.

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, expiring April 2014. The lease allows for 2 one-year option periods after the initial lease expiration date.

The Organization leases a copier from US Bancorp Business Equipment Finance Group at a cost of \$249 per month. The lease agreement is 60 months and expires September 2015.

At December 31, 2013, future minimum lease payments were as follows:

Year ending December 31,	
2014	\$ 12,988
2015	<u>2,241</u>
Total future minimum lease payments	<u>\$ 15,229</u>

Total lease payments for the year ended December 31, 2013 were \$29,988.

Note 8 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2014, the date which the financial statements were available for issue.

INTERNATIONAL CRISIS AID, INC.
STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2013

	Project expenses	General and Administration	Fundraising	Total
Project expenses	\$ 1,346,941	\$ -	\$ -	\$ 1,346,941
Salary expense	182,333	60,777	-	243,110
Payroll taxes and benefits	18,650	6,216	-	24,866
Office expense	4,664	16,505	-	21,169
Contributions to others	4,542	-	-	4,542
Insurance expense	-	3,713	-	3,713
Postage & delivery	-	3,313	3,313	6,626
Printing & copying	-	9,644	9,643	19,287
Organizational expenses	5,693	1,898	-	7,591
Small equipment expense	-	7,483	-	7,483
Professional fees	6,392	8,020	-	14,412
Telephone	6,910	1,728	-	8,638
Travel	5,249	-	-	5,249
Advertising	17,186	17,185	-	34,371
Occupancy	17,185	17,185	-	34,370
Fundraising	-	-	12,634	12,634
In-kind expenses	3,130	-	-	3,130
Depreciation expense	-	3,682	-	3,682
TOTAL	\$ 1,618,875	\$ 157,349	\$ 25,590	\$ 1,801,814

See accompanying notes and independent auditor's report