

**INTERNATIONAL CRISIS AID, INC.**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

INTERNATIONAL CRISIS AID, INC.

CONTENTS

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	<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, 2012, 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, 2012, 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, CPA's  
St. Louis, MO  
January 25, 2012

INTERNATIONAL CRISIS AID, INC.  
STATEMENT OF FINANCIAL POSITION

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December 31,

2012

ASSETS

Cash	\$	578,263
Prepaid expenses		373
Deposit		2,000
Property and equipment (Net of accumulated depreciation) - note 5		11,381
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Total assets	\$	<u><u>592,017</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$	<u>8,620</u>
		<hr/>
Total liabilities		<u>8,620</u>
		<hr/>
Net assets		
Unrestricted		107,454
Temporarily restricted		475,943
Permenantly restricted		-
		<hr/>
Total net assets		<u>583,397</u>
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Total liabilities and net assets	\$	<u><u>592,017</u></u>

See accompanying notes and independent auditor's report

INTERNATIONAL CRISIS AID, INC.  
STATEMENT OF ACTIVITIES

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For the year ended December 31,				2012
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue				
General donations	\$ 393,992	\$ -	\$ -	\$ 393,992
Restricted income	-	1,212,743	-	1,212,743
In-kind contribution	40,836	-	-	40,836
Other income	18	-	-	18
Interest income	1,426	-	-	1,426
Total support and revenue	436,272	1,212,743	-	1,649,015
Net assets released from restrictions	1,115,698	(1,115,698)	-	-
	1,551,970	97,045	-	1,649,015
Program expenses				
Project expenses	1,383,386	-	-	1,383,386
Total program expenses	1,383,386	-	-	1,383,386
Support expenses				
General and administration	124,970	-	-	124,970
Fundraising	16,032	-	-	16,032
Total support expenses	141,002	-	-	141,002
Total expenses	1,524,388	-	-	1,524,388
Changes in net assets	27,582	97,045	-	124,627
Net assets, beginning of year	79,872	378,898	-	458,770
Net assets, end of year	\$ 107,454	\$ 475,943	\$ -	\$ 583,397

See accompanying notes and independent auditor's report

INTERNATIONAL CRISIS AID, INC.  
STATEMENT OF CASH FLOWS

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For the year ended December 31,	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Changes in net assets	\$ 124,627
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:	
Depreciation	5,905
Changes in assets and liabilities:	
(Increase) decrease in prepaid expenses	142
(Increase) decrease in deposit	-
Increase (decrease) in accounts payable	4,059
Increase (decrease) in accrued payroll	(2,306)
Increase (decrease) in payroll tax liability	<u>(908)</u>
Net cash provided by (used in) operating activities	<u>131,519</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Proceeds from sale of asset	8,880
Loss on sale of asset	4,736
Purchases of equipment	<u>(3,997)</u>
Net cash provided by (used in) investing activities	<u>9,619</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
None	<u>-</u>
Net cash provided by (used in) financing activities	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>141,138</u>
Cash - beginning of year	<u>437,125</u>
Cash - end of year	<u><u>\$ 578,263</u></u>

See accompanying notes and independent auditor's report

**INTERNATIONAL CRISIS AID, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**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, 2012, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed prior to fiscal 2009 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, 2012

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, 2012

**Note 3 - CONCENTRATION OF CREDIT RISK**

At year-end, the carrying amount of the Organization's deposits totaled \$578,263 and bank balances totaled \$539,426. The entire bank balance was insured by the Federal Deposit Insurance Corporation (FDIC).

**Note 4 - TEMPORARILY RESTRICTED FUND BALANCE**

The Temporarily Restricted Fund Balance at December 31, 2012 was comprised of the following project balances:

Ethiopia Child Sponsorship	\$ 17,882
Ethiopia Feeding	47,484
Ethiopia Projects	38,320
Horn of Africa	7,238
Miscellaneous Projects	6,873
Mission Support	56,979
SAFE Program	55,227
USA Home	226,604
Wells Project	19,336
	<u>\$ 475,943</u>

**Note 5 - FIXED ASSETS AND DEPRECIATION**

A summary of fixed assets as of December 31, 2012 follows:

Furniture	\$ 11,185
Equipment and software	<u>43,860</u>
Total	55,045
Less: Accumulated depreciation	<u>(43,664)</u>
Property and equipment, net	<u>\$ 11,381</u>

Depreciation policies are disclosed in Note 1. Depreciation expense for the year ended December 31, 2012 was \$5,905.

**INTERNATIONAL CRISIS AID, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2012

**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 at a cost of \$2,000 per month. The lease agreement is for 3 years and expires April 2014. The lease also includes 2 one year options.

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, 2012, future minimum lease payments were as follows:

Year ending December 31,	
2013	\$ 24,988
2014	10,988
2015	<u>2,241</u>
Total future minimum lease payments	<u>\$ 38,217</u>

Total lease payments for the year ended December 31, 2012 were \$28,988.

**Note 8 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 25, 2013, the date which the financial statements were available for issue.

INTERNATIONAL CRISIS AID, INC.  
STATEMENT OF FUNCTIONAL EXPENSES

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For the year ended December 31, 2012

	Project expenses	General and Administration	Fundraising	Total
Project expenses	\$ 1,126,942	\$ -	\$ -	\$ 1,126,942
Salary expense	148,232	49,411	-	197,643
Payroll taxes	11,213	3,738	-	14,951
Office expense	4,773	15,839	-	20,612
Contributions to others	7,290	-	-	7,290
Insurance expense	-	2,471	-	2,471
Postage & delivery	-	3,011	3,010	6,021
Printing & copying	-	8,837	8,837	17,674
Organizational expenses	12,134	-	-	12,134
Small equipment expense	-	3,917	-	3,917
Professional fees	5,959	9,862	3,585	19,406
Telephone	6,606	1,651	-	8,257
Travel	3,809	-	-	3,809
Advertising	-	-	600	600
Occupancy	15,592	15,592	-	31,184
Loss on sale of asset	-	4,736	-	4,736
In-kind expenses	40,836	-	-	40,836
Depreciation expense	-	5,905	-	5,905
<b>TOTAL</b>	<b>\$ 1,383,386</b>	<b>\$ 124,970</b>	<b>\$ 16,032</b>	<b>\$ 1,524,388</b>

See accompanying notes and independent auditor's report