

International Children's Fund, Inc.

Neenah, Wisconsin

Financial Statements

Years Ended September 30, 2017 and 2016

WIPFLi^{LLP}
CPAs and Consultants

International Children’s Fund, Inc.

Financial Statements

Years Ended September 30, 2017 and 2016

Table of Contents

Independent Auditor’s Report.....	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities.....	4
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7



Independent Auditor's Report

Board of Directors
International Children's Fund, Inc.
Neenah, Wisconsin

We have audited the accompanying financial statements of International Children's Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 Children's Fund, Inc. as of September 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP

January 5, 2018
Green Bay, Wisconsin

International Children's Fund, Inc.

Statements of Financial Position

September 30, 2017 and 2016

	<i>Assets</i>	2017	2016
Current assets:			
Cash and cash equivalents		\$ 648,397	\$ 240,989
Inventory		820	500
Other assets		1,000	1,000
Total current assets		650,217	242,489
Property and equipment, net		181	7,133
TOTAL ASSETS		\$ 650,398	\$ 249,622
	<i>Liabilities and Net Assets</i>		
Current liabilities - Accounts payable		\$ 18,216	\$ 79,687
Unrestricted net assets		632,182	169,935
TOTAL LIABILITIES AND NET ASSETS		\$ 650,398	\$ 249,622

International Children's Fund, Inc.

Statements of Activities

Years Ended September 30, 2017 and 2016

	2017	2016
Public support and other revenue:		
In-kind contributions - Medicines and medical supplies, clothing, food, and other supplies	\$ 50,287,580	\$ 51,134,817
Contributions	1,287,261	712,547
Interest	1,076	468
Total public support and other revenue	51,575,917	51,847,832
Functional expenses:		
Program services - Children's programs	50,973,937	51,862,561
Management and general	36,925	34,293
Fund-raising	102,808	109,451
Total functional expenses	51,113,670	52,006,305
Increase (decrease) in unrestricted net assets	462,247	(158,473)
Unrestricted net assets at beginning	169,935	328,408
Unrestricted net assets at end	\$ 632,182	\$ 169,935

See accompanying notes to financial statements.

International Children's Fund, Inc.

Statements of Functional Expenses

Years Ended September 30, 2017 and 2016

2017	Children's Programs	Management and General	Fund- Raising	Total
Gifts of medicines and medical supplies				
clothing, food, and other supplies	\$ 50,285,475	\$ -	\$ -	\$ 50,285,475
Shipping of gifts	89,201	-	-	89,201
Mission supplies and cash gifts	401,838	-	-	401,838
Educational materials	2,382	-	-	2,382
Computer and mailing services	32,163	-	91,117	123,280
Bank lock box services	-	-	11,691	11,691
Occupancy and utilities	13,850	-	-	13,850
Office expenses and supplies	12,336	-	-	12,336
Legal, accounting, and state registrations	3,255	24,521	-	27,776
Truck and travel expenses	23,411	-	-	23,411
Insurance	-	1,731	-	1,731
Salaries and taxes	103,074	10,555	-	113,629
Other expense	-	118	-	118
Depreciation	6,952	-	-	6,952
Total functional expenses	\$ 50,973,937	\$ 36,925	\$ 102,808	\$ 51,113,670
2016				
Gifts of medicines and medical supplies				
clothing, food, and other supplies	\$ 51,143,655	\$ -	\$ -	\$ 51,143,655
Shipping of gifts	146,010	-	-	146,010
Mission supplies and cash gifts	355,591	-	-	355,591
Educational materials	2,886	-	-	2,886
Computer and mailing services	34,980	-	97,156	132,136
Bank lock box services	-	-	12,295	12,295
Occupancy and utilities	14,382	-	-	14,382
Office expenses and supplies	7,608	-	-	7,608
Legal, accounting, and state registrations	1,655	22,120	-	23,775
Truck and travel expenses	30,126	-	-	30,126
Insurance	-	1,725	-	1,725
Salaries and taxes	102,025	10,448	-	112,473
Other expense	-	-	-	-
Depreciation	23,643	-	-	23,643
Total functional expenses	\$ 51,862,561	\$ 34,293	\$ 109,451	\$ 52,006,305

See accompanying notes to financial statements.

International Children's Fund, Inc.

Statements of Cash Flows

Years Ended September 30, 2017 and 2016

	2017	2016
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Change in net assets	\$ 462,247	\$ (158,473)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,952	23,643
Changes in operating assets and liabilities:		
Inventory	(320)	10,200
Accounts payable	(61,471)	60,517
Net cash provided by (used in) operating activities	407,408	(64,113)
Increase (decrease) in cash and cash equivalents	407,408	(64,113)
Cash and cash equivalents at beginning	240,989	305,102
Cash and cash equivalents at end	\$ 648,397	\$ 240,989

See accompanying notes to financial statements.

International Children's Fund, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Business

International Children's Fund, Inc. (the "Organization") is a nonprofit corporation organized under the laws of the State of Wisconsin. The Organization distributes humanitarian aid including clothing, food, medicine, and supplies to needy children, families, and missionary organizations around the world. The Organization is supported primarily through donor contributions. During 2017, 30% of the Organization's contributions were from two donors and during 2016, 11% of the Organization's contributions were from one donor.

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes therein are classified and reported as follows:

- *Unrestricted Net Assets* - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.
- *Temporarily Restricted Net Assets* - Net assets subject to donor-imposed stipulations that may be met, either by actions of the Organization and/or the passage of time. Currently, the Organization does not have any temporarily restricted net assets.
- *Permanently Restricted Net Assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Organization does not have any permanently restricted net assets.

International Children's Fund, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventory

Inventory primarily consists of food and clothing that is donated to the Organization throughout the year. At the end of the fiscal year, the Organization estimates the value of donated goods on hand based on estimated wholesale values.

Property and Equipment

All acquisitions and improvements of property and equipment are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated lives of the assets.

International Children's Fund, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. 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 as unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

In-Kind Contributions

The Organization records the receipt of gifts of donated inventory and medical supplies as unrestricted support unless explicit donor stipulations specify how or where the donated supplies must be used. Gifts of donated supplies with explicit restrictions that specify how or where the assets are to be used are reported as temporarily restricted support. Donated supplies are recognized on the date received at their estimated fair values, as estimated by the Organization using published industry information or provided by the donor. Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Many volunteers provided services to the Organization throughout the year that have not been recognized as contributions in the financial statements because the recognition criteria was not met. The value of these services is indeterminable.

International Children's Fund, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

In-Kind Contributions (Continued)

Contributions of pharmaceuticals are recorded at estimated wholesale value on the date received, based on the Wholesale Acquisition Cost (WAC). The Organization has contracted with a third-party organization to organize and distribute donated pharmaceutical shipments, and this third party contracts with a valuation service that validates WAC pricing as published in Wolters Kluwer. WAC is the standard used by many states throughout the country as the Federal Upper Limit pricing for drugs purchased under the Medicaid program. If the wholesale value is not available in Wolters Kluwer, the wholesale value of the contribution is based on other appropriate Internet pricing sources.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Tax Status

The Organization is a nonprofit entity as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt from state income taxes on related income.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Subsequent Events

Subsequent events have been evaluated through January 5, 2018, which is date the financial statements were available to be issued.

International Children’s Fund, Inc.

Notes to Financial Statements

Note 2: Concentration of Credit Risk

Financial instruments that potentially subject the Organization to credit risk consist principally of cash deposits in excess of insured limits in financial institutions. The Organization maintains its bank accounts at various financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At times, balances exceed FDIC-insured limits. Management has assessed the creditworthiness of these institutions and does not feel the deposits are subject to significant risk.

Note 3: Property and Equipment

Property and equipment consisted of the following at September 30:

	2017	2016
Furniture and equipment	\$ 16,431	\$ 16,431
Software	67,652	67,652
Accumulated depreciation	(83,902)	(76,950)
Property and equipment - Net	\$ 181	\$ 7,133