



To the Board of Directors  
International Children's Fund, Inc.

We have audited the financial statements of International Children's Fund, Inc. for the year ended September 30, 2020, and have issued our report thereon dated April 12, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 14, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements of International Children's Fund, Inc. as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered International Children's Fund, Inc.'s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in International Children's Fund, Inc.'s internal control to be a significant deficiency:

Financial Accounting and Reporting - One of the components of internal control over financial reporting is that employees of an organization be sufficiently knowledgeable to prepare the entity's financial statements in accordance with generally accepted accounting principles (GAAP). The Organization does not have employees with the expertise to prepare its financial statements in accordance with GAAP. As a result, we prepared the Organization's financial statements. Auditor assistance on preparation of the financial statements is common in most small organizations since they do not have the resources to devote to this area of internal control.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by International Children's Fund, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended September 30, 2020 with the exception of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This update assists entities in evaluating whether transactions should be accounted for as contributions or exchange transactions as well as determining if a contribution is considered to be conditional. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the value of pharmaceutical donations, which is based on available wholesale acquisition cost pricing available from pricing services.
- Management's estimate of the value of medical supplies, clothing, food, and other noncash contributions, which is based on industry guidelines and the Organization's past history and experience with donated goods of similar characteristics.

The financial statement disclosures are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of the Organization's valuation methodology as described in Note 1 related to donated pharmaceutical gifts-in-kind due to the significance to the financial statements. This valuation requires management to choose a methodology that most accurately represents the pricing of pharmaceuticals, including pricing and availability, at a point in time when the pharmaceutical industry is volatile with many pricing points available.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 12, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Closing

We would like to thank David Bruenning, Fran Seidl and Carol Grady for their support and assistance during our audit. They were a pleasure to work with.

This information is intended solely for the use of Board of Directors and management of International Children's Fund, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

*KerberRose SC*

**KerberRose SC**  
**Certified Public Accountants**  
Appleton, Wisconsin  
April 12, 2021