

INTERNATIONAL CHILDREN'S FUND, INC.
Audited Financial Statements

For the Years Ended
September 30, 2021 and 2020

INTERNATIONAL CHILDREN'S FUND, INC.
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Independent Auditors' Report

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

We have audited the accompanying financial statements of International Children's Fund, Inc., which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, 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.

Auditors' 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 of America. Those standards require that we plan and perform the audits 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, 2021 and 2020, 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 of America.

KerberRose SC

KerberRose SC
Certified Public Accountants
Appleton, Wisconsin
January 16, 2022

FINANCIAL STATEMENTS

INTERNATIONAL CHILDREN'S FUND, INC.Statements of Financial Position
As of September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 681,593	\$ 536,261
LIABILITIES		
Accounts Payable	\$ 16,381	\$ 17,935
Accrued Payroll	931	723
Total Liabilities	<u>17,312</u>	<u>18,658</u>
NET ASSETS		
Without Donor Restrictions	<u>664,281</u>	<u>517,603</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 681,593</u>	<u>\$ 536,261</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.
 Statements of Activities
 For the Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
REVENUES AND SUPPORT		
In-Kind Contributions	\$ 68,037,078	\$ 61,322,952
Contributions	1,102,291	896,361
Interest	397	397
Total Revenues and Support	<u>69,139,766</u>	<u>62,219,710</u>
OPERATING EXPENSES		
Program Services	68,783,303	61,989,755
Management and General	39,913	67,649
Fundraising	169,872	165,887
Total Expenses	<u>68,993,088</u>	<u>62,223,291</u>
CHANGE IN NET ASSETS	146,678	(3,581)
NET ASSETS - BEGINNING	<u>517,603</u>	<u>521,184</u>
NET ASSETS - ENDING	<u>\$ 664,281</u>	<u>\$ 517,603</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Gifts of Medicines and Medical Supplies, Clothing, Food, and Other Supplies	\$ 68,036,108	\$ -	\$ -	\$ 68,036,108
Postage and Shipping	13,321	-	-	13,321
Mission Supplies and Cash Gifts	546,554	-	-	546,554
Computer and Mailing Services	29,566	-	73,896	103,462
Bank Lock Box Services	-	-	8,653	8,653
Utilities and Occupancy	13,416	-	-	13,416
Office Supplies	11,033	-	-	11,033
Professional Services	4,610	26,120	-	30,730
Travel	10,858	-	-	10,858
Insurance	-	2,139	-	2,139
Salaries and Taxes	117,837	11,654	-	129,491
Advertising	-	-	87,323	87,323
Total Expenses	<u>\$ 68,783,303</u>	<u>\$ 39,913</u>	<u>\$ 169,872</u>	<u>\$ 68,993,088</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.Statement of Functional Expenses
For the Year Ended September 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Gifts of Medicines and Medical Supplies, Clothing, Food, and Other Supplies	\$ 61,321,733	\$ -	\$ -	\$ 61,321,733
Postage and Shipping	5,457	-	-	5,457
Mission Supplies and Cash Gifts	478,382	-	-	478,382
Computer and Mailing Services	32,206	-	90,807	123,013
Bank Lock Box Services	-	-	11,215	11,215
Utilities and Occupancy	13,352	-	-	13,352
Contracted Services	-	27,182	-	27,182
Office Supplies	9,689	-	-	9,689
Professional Services	4,995	28,303	-	33,298
Travel	18,448	-	-	18,448
Insurance	-	1,731	-	1,731
Salaries and Taxes	105,493	10,433	-	115,926
Advertising	-	-	63,865	63,865
Total Expenses	<u>\$ 61,989,755</u>	<u>\$ 67,649</u>	<u>\$ 165,887</u>	<u>\$ 62,223,291</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.
 Statements of Cash Flows
 For the Years Ended September 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 146,678	\$ (3,581)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Flows from Operating Activities:		
Effects of Changes in Certain Operating Assets and Liabilities:		
Other Asset	-	1,002
Accounts Payable	(1,554)	(6,918)
Accrued Payroll Liabilities	208	723
Net Cash Flows from Operating Activities	145,332	(8,774)
 NET CHANGE IN CASH	 145,332	 (8,774)
CASH - BEGINNING OF YEAR	536,261	545,035
CASH - END OF YEAR	\$ 681,593	\$ 536,261

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.

Notes to Financial Statements
September 30, 2021 and 2020

Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of International Children's Fund, Inc. (Organization) is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Entity

International Children's Fund, Inc. is a nonprofit corporation located in Neenah, 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.

Cash

The Organization considers all highly liquid, short-term investments with an original maturity of three months or less to be cash. The Organization maintains its deposits at two financial institutions, FVC Bank and Verve Credit Union. Deposits at FVC Bank are insured by the Federal Deposit Insurance Corporation up to \$250,000, and deposits at Verve Credit Union are insured by the National Credit Union Administration up to \$250,000. As of September 30, 2021, the Organization's uninsured cash balances total approximately \$190,000. Management has assessed the credit worthiness of the financial institutions and does not feel the deposits are subject to significant risk.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets.

- Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and board of directors.
- Net assets with donor restrictions – Contributions restricted by donors are reported as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. At September 30, 2021 and 2020, the Organization does not have any donor restricted net assets.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless its use is restricted by explicit donor stipulation or by law. Contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets.

INTERNATIONAL CHILDREN'S FUND, INC.

Notes to Financial Statements
September 30, 2021 and 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions

The Organization records the receipts of gifts of donated inventory and medical supplies as support without donor restrictions unless explicit donor restrictions 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 support with donor restrictions. Donated supplies are recognized on the date received at their estimated fair values, as estimated by the Organization using information provided by the donor or published industry information. Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets, or (b) required specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Services provided by many volunteers to the Organization throughout the year have not been recognized as contributions in the financial statements because the recognition criteria were not met. The value of these services is indeterminable.

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

Functional Expenses

Expenses have been allocated among program services, management and general, and fundraising classifications on the basis of time records and estimates made by management. When possible, costs are charged directly to the functional category to which they relate. Certain costs have been allocated among the program services and supporting services. Salaries and taxes have been allocated on the basis of time and effort.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Gifts, grants, and bequests are deductible by donors within limitations of the Internal Revenue Code.

The Organization evaluates its tax positions based on whether or not the position is more likely than not to be sustained upon examination by taxing authorities. This evaluation includes monitoring changes in tax law and new authoritative rulings for potential implications to its tax status and positions. The Organization's federal income tax returns are subject to examination generally for three years after they are filed and its state income tax returns generally for four years after they are filed.

INTERNATIONAL CHILDREN'S FUND, INC.

Notes to Financial Statements
September 30, 2021 and 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

The Organization's operations could be affected by the outbreak of COVID-19, which was declared a pandemic. The ultimate disruption, which may be caused by the pandemic, is uncertain and the related financial impact and duration cannot be reasonably estimated.

Note 2 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the financial position date, comprise of \$681,593 and \$536,261 as of September 30, 2021 and 2020, respectively. These assets consist solely of cash. The Organization's goal is to maintain financial assets on hand to meet 60 days of normal operating expense, which are, on average is approximately \$159,500.

Note 3 – Subsequent Events

Subsequent events were evaluated through January 16, 2022, which is the date the financial statements were available to be issued.

Note 4 – In-Kind Contributions

The following is a summary of the in-kind contributions which are recorded as revenue and related expenses in the financial statements for the years ended September 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Clothing and Supplies	\$ 75,983	\$ 124,208
Medical Supplies	67,905,540	61,198,744
Advertising	55,555	-
Total	<u>\$ 68,037,078</u>	<u>\$ 61,322,952</u>