

**INTERNATIONAL CHILDREN'S FUND,
INC.**

Financial Statements

**For the Years Ended
September 30, 2023 and 2022**

INTERNATIONAL CHILDREN'S FUND, INC.
Table of Contents

September 30, 2023 and 2022

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 11

Independent Auditors' Report

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

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of International Children's Fund, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about International Children's Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 International Children's Fund, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

KerberRose SC

KerberRose SC
Certified Public Accountants
Appleton, Wisconsin
April 10, 2024

FINANCIAL STATEMENTS

INTERNATIONAL CHILDREN'S FUND, INC.Statements of Financial Position
As of September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 538,213	\$ 966,697
Inventory	-	186,322
Prepaid Expenses	10,125	-
Certificates of Deposit	455,427	-
Property and Equipment, Net	3,725	-
TOTAL ASSETS	<u>\$ 1,007,490</u>	<u>\$ 1,153,019</u>
LIABILITIES		
Accounts Payable	\$ 25,858	\$ 21,030
Accrued Payroll	8,726	8,404
Total Liabilities	<u>34,584</u>	<u>29,434</u>
NET ASSETS		
Without Donor Restrictions	<u>972,906</u>	<u>1,123,585</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,007,490</u>	<u>\$ 1,153,019</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.
 Statements of Activities
 For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
REVENUES AND SUPPORT		
In-Kind Contributions	\$ 87,692,302	\$ 78,183,237
Contributions	1,369,485	1,426,324
Interest	10,106	1,266
Total Revenues and Support	<u>89,071,893</u>	<u>79,610,827</u>
OPERATING EXPENSES		
Program Services	88,955,080	78,918,745
Management and General	60,249	51,787
Fundraising	207,243	180,991
Total Expenses	<u>89,222,572</u>	<u>79,151,523</u>
CHANGE IN NET ASSETS	(150,679)	459,304
NET ASSETS - BEGINNING	<u>1,123,585</u>	<u>664,281</u>
NET ASSETS - ENDING	<u>\$ 972,906</u>	<u>\$ 1,123,585</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.
Statement of Functional Expenses
For the Year Ended September 30, 2023

	<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	\$ 87,855,452	\$ -	\$ -	\$ 87,855,452
Postage and Shipping	29,090	-	-	29,090
Mission Supplies and Cash Gifts	811,103	-	-	811,103
Computer and Mailing Services	65,060	-	61,818	126,878
Bank Lock Box Services	-	-	4,837	4,837
Utilities and Occupancy	16,520	-	-	16,520
Depreciation Expense	108	-	-	108
Office Supplies	11,014	-	-	11,014
Professional Services	10,205	27,557	2,200	39,962
Travel	11,649	-	-	11,649
Insurance	-	2,117	-	2,117
Salaries and Related Taxes	122,298	30,575	-	152,873
Advertising	22,581	-	138,388	160,969
Total Expenses	<u>\$ 88,955,080</u>	<u>\$ 60,249</u>	<u>\$ 207,243</u>	<u>\$ 89,222,572</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.Statement of Functional Expenses
For the Year Ended September 30, 2022

	<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	\$ 77,946,691	\$ -	\$ -	\$ 77,946,691
Postage and Shipping	27,005	-	-	27,005
Mission Supplies and Cash Gifts	697,800	-	-	697,800
Computer and Mailing Services	31,484	-	52,115	83,599
Bank Lock Box Services	-	-	8,908	8,908
Utilities and Occupancy	14,027	-	-	14,027
Office Supplies	16,354	-	-	16,354
Professional Services	9,247	21,362	2,200	32,809
Travel	13,679	-	-	13,679
Insurance	-	2,007	-	2,007
Salaries and Related Taxes	113,673	28,418	-	142,091
Advertising	48,785	-	117,768	166,553
Total Expenses	<u>\$ 78,918,745</u>	<u>\$ 51,787</u>	<u>\$ 180,991</u>	<u>\$ 79,151,523</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.
 Statements of Cash Flows
 For the Years Ended September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (150,679)	\$ 459,304
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation Expense	108	-
Interest Added to Certificates of Deposit	(5,427)	-
Noncash Contributions of Inventory	-	(186,322)
Effects of Changes in Certain Operating Assets and Liabilities:		
Inventory	186,322	-
Prepaid Expenses	(10,125)	-
Accounts Payable	4,828	11,340
Accrued Payroll Liabilities	322	782
Net Cash Flows from Operating Activities	<u>25,349</u>	<u>285,104</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to Property and Equipment	(3,833)	-
Purchase of Certificates of Deposit	(450,000)	-
Net Cash Flows from Investing Activities	<u>(453,833)</u>	<u>-</u>
NET CHANGE IN CASH	(428,484)	285,104
CASH - BEGINNING OF YEAR	<u>966,697</u>	<u>681,593</u>
CASH - END OF YEAR	<u>\$ 538,213</u>	<u>\$ 966,697</u>

See Accompanying Notes

INTERNATIONAL CHILDREN'S FUND, INC.

Notes to Financial Statements
September 30, 2023 and 2022

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 multiple financial institutions. Deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000, and deposits at credit unions are insured by the National Credit Union Administration up to \$250,000. As of September 30, 2023, the Organization's uninsured cash balances total approximately \$465,000. Management has assessed the credit worthiness of the financial institutions and does not feel the deposits are subject to significant risk.

Inventory

Inventory, which consists of clothing and personal care items, are stated at the estimated fair value at the date of donation.

Property and Equipment

Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at estimated fair market value at date of donation. The Organization's capitalization policy is to capitalize property and equipment whose amounts are greater than \$1,000. Depreciation is provided using the straight-line method over the following estimated useful lives:

Furniture and Equipment	3 – 7 years
Software	3 years

INTERNATIONAL CHILDREN'S FUND, INC.

Notes to Financial Statements
September 30, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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, 2023 and 2022, 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.

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.

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.

INTERNATIONAL CHILDREN'S FUND, INC.

Notes to Financial Statements
September 30, 2023 and 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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.

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.

Subsequent Events

Subsequent events were evaluated through April 10, 2024, which is the date the financial statements were available to be issued.

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 993,640 and \$966,697 as of September 30, 2023 and 2022, respectively. These assets consist solely of cash and certificates of deposit. The Organization's goal is to maintain financial assets on hand to meet 60 days of normal operating expense, which are, on average approximately \$161,400.

Note 3 – Property and Equipment

Property and equipment consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Furniture and Equipment	\$ 20,264	\$ 16,431
Software	67,652	67,652
Total Property and Equipment	<u>87,916</u>	<u>84,083</u>
Less: Accumulated Depreciation	<u>(84,191)</u>	<u>(84,083)</u>
Property and Equipment, Net	<u>\$ 3,725</u>	<u>\$ -</u>

INTERNATIONAL CHILDREN'S FUND, INC.

Notes to Financial Statements
September 30, 2023 and 2022

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, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Clothing and Supplies	\$ 33,627	\$ 241,541
Medical Supplies	87,636,094	77,892,911
Advertising	22,581	48,785
Total	<u>\$ 87,692,302</u>	<u>\$ 78,183,237</u>

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 a 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.

Contributed clothing, supplies, and advertising are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a "like-kind" methodology considering the goods' condition and utility for use at the time of the contribution. Contributed clothing and supplies and advertising are used in program services.