

FINANCIAL STATEMENTS



**INTERNATIONAL EMERGENCY AND DEVELOPMENT AID
(IEDA RELIEF) INC.
FOR THE YEARS ENDED
DECEMBER 31, 2014 AND 2013**

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**FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013**

Table of Contents

	PAGE
INDEPENDENT AUDITOR'S REPORT	3-4
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF ACTIVITIES	6
STATEMENT OF FUNCTIONAL EXPENSES	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9-12

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CERTIFIED PUBLIC ACCOUNTANT

REPORT OF INDEPENDENT AUDITOR

To: Audit Committee and Board of Directors
International Emergency and Development Aid (IEDA Relief) Inc.
Houston, Texas

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of International Emergency and Development Aid (IEDA Relief) Inc. which comprise the statements of financial position as of December 31, 2014, and the related consolidated statements of activities, functional expenses and cash flow for the year then ended, and the related notes to the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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

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reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 Emergency and Development Aid (IEDA Relief) Inc. as of December 31, 2014 and the changes in the net assets and their cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTER

The financial statements of International Emergency and Development Aid as of December 31, 2013 were reviewed by other Independent Accountant whose report dated July 24, 2014 expressed an unqualified opinion on those statements.



Rakesh Jain, CPA
Rakesh Jain, CPA PC
Certified Public Accountant

Place: - Mont Belvieu, TX
Date: - October 31, 2017

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INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
Cash and cash equivalents	\$ 146,003	\$ 251,707
Grant receivable	-	215,275
Prepaid expenses and other assets	-	1,337
Property and equipment, (net of accumulated depreciation of \$26,544 and \$ 8,549 for the years 2014 and 2013, respectively)	63,581	81,577
Total Assets	\$ 209,584	\$ 549,896
LIABILITIES AND NET ASSETS		
Liabilities:		
Advances from Directors	\$ 109,723	\$ -
Accounts Payable and Accrued Expenses	7,000	150,401
Total current liabilities	\$116,723	\$ 50,401
Commitments and contingencies		
Net Asset:		
Unrestricted	92,861	399,495
Temporarily Restricted	-	-
Total liabilities and Net Assets	\$ 209,584	\$ 549,896

The accompanying notes are an integral part of these financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2014

	<u>2014</u>	<u>2013</u>
Grants and Contributions		
Non-Government grants	\$ 8,793,576	\$ 9,523,908
Individual and Small Business	<u>11,187</u>	<u>12,749</u>
Total Grants and Contribution	<u>8,804,763</u>	<u>9,536,657</u>
Program Activity Expenses		
Personnel and Commercial contract	3,682,170	667,778
Materials and Services	2,837,662	7,751,085
Tools and Equipment	341,232	
General and Administrative		
Professional and Legal Fees	11,348	23,089
Staff Salaries and Benefits	1,027,448	732,309
Lease and Occupancy	261,078	16,775
Administrative Expenses	645,425	107,788
Travel Cost	<u>305,009</u>	<u>38,323</u>
Total		
Expenditures	<u>9,111,372</u>	<u>9,337,147</u>
Net changes in Assets	(306,609)	199,510
Net Assets January 1, 2014	399,495	(16,960)
Prior Period Adjustments		216,945
Net Assets December 31, 2014	<u>\$ 92,886</u>	<u>\$ 399,495</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2014

	Camp Mgmt. and Shelter	Protection and Livelihood	Education and Logistics	Support Services	Total 2014	Total 2013
Program Activity Expenses						
Personnel Expenses	269,953	3,410,289	1,651	277	3,682,170	667,778
Materials and Services	186,188	2,630,755	6,179	14,540	2,837,662	7,751,085
Tools and Equipment	115,587	225,607	39		341,232	
General and Administrative						
Professional and Legal				11,348	11,348	23,089
Staff Salaries and Benefits	26	471,058	64,420	491,944	1,027,448	732,309
Lease and Occupancy	15,761	212,787		32,530	261,078	16,775
Administrative Expenses	44,333	502,971	1,521	96,601	645,425	107,788
Travel Cost	22,080	212,829		70,099	305,009	38,323
Total Expenses	<u>653,927</u>	<u>7,666,296</u>	<u>73,810</u>	<u>717,340</u>	<u>9,111,372</u>	<u>9,337,147</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.

STATEMENTS OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash flow from operating activities:		
Change in net assets	\$ (306,634)	\$ 199,510
Adjustments to reconcile Net Revenue to Net Cash provided by operations:		
Grants Receivable	215,275	(18,042)
Prepaid Expenses and other assets	1,337	1,595
Depreciation	17,996	8,549
Accounts Payable and accrued expenses	(143,401)	15,973
Refundable Advances	109,723	(430,989)
Net cash used in operating activities	<u>(105,705)</u>	<u>(223,404)</u>
Cash flow from Investing Activities:		
Purchase of property and equipment	0	(90,126)
(Decrease) increase in cash and cash equivalents	(105,705)	(313,530)
Cash and cash equivalents at beginning of year	251,707	565,237
Cash and cash equivalents at end of year	<u>\$ 146,002</u>	<u>\$ 251,707</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2014

NOTE 1 – ORGANIZATION AND OPERATION

International Emergency and Development Aid (IEDA Relief) is a non-profit, tax exempt Corporation that was incorporated under Texas non-profit corporation Act on March 23, 2009. IEDA Relief's mission is to alleviate the suffering of vulnerable people by tackling the underlying causes of poverty so people can become self-sufficient and achieve full potential. During 2014 IEDA Relief had operations in the Democratic Republic of Congo, Cameroun, Burkina Faso, Mali, Philippines, Senegal and established operations in Central African Republic, Haiti and Nigeria.

IEDA Relief is funded by contributions from the general public, foundations, businesses and other organizations.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

IEDA Relief's financial records have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. IEDA Relief's resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of IEDA Relief and changes therein are classified and reported as follows:

Unrestricted Net Assets – The portion of net assets that is neither temporarily restricted nor permanently restricted by donor-imposed stipulations. These net assets available for the operation of the IEDA Relief and include internally designated and undesignated resources.

Temporarily Restricted Net Assets – The portion of net assets whose use by Relief International is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Relief International. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. There were no temporarily restricted net assets as of December 31, 2014.

Cash and Cash Equivalents:

For financial statement purposes, cash on hand and deposits in U.S. and foreign banks with maturities of three months or less are considered to be cash equivalents.

At times during the year, IEDA Relief maintains a portion of its cash balances in interest bearing accounts at financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limits. Management believes the risk in these situations to be minimal.

Relief International had approximately \$145,135 (Previous Year - \$76,771) in cash and cash equivalents held at financial institutions and on hand in foreign countries at December 31, 2014 and 2013, respectively. The majority of the funds invested in foreign countries are uninsured.

Grants Receivable:

Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established. If amounts become uncollectible, it will be charged to operations when that determination is made.

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2014

Furniture and Equipment:

Furniture and equipment are recorded at cost. IEDA Relief capitalizes all expenditures for property and equipment in excess of \$1,000. Depreciation is computed by use of the straight-line method for financial reporting purposes. Useful life of furniture and equipment's is three years.

Routine maintenance, repairs, renewals and replacement costs are charged against operation in the year incurred. Expenditures which materially increase values or extend useful lives of property and equipment are capitalized.

Contributions and grants

Unrestricted contributions and grants are recorded as revenue in the year notification is received from the donor.

IEDA Relief receives funding under grants and contracts from foreign governments, international organizations and other grantors for direct and indirect program costs. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, such grants are considered exchange transactions and are recorded as unrestricted income to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements. Grant funding received in advance of incurring the related expenses is recorded as a refundable advance.

Fair Value Considerations

IEDA uses fair value to measure certain financial and non-financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs-Level 3).

The fair value option allows entities to choose at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. IEDA Relief did not elect the fair value option for the measurement of any eligible assets or liabilities.

IEDA Relief financial instruments (primarily cash and cash equivalents, receivables and payables) are carried in the accompanying statement of financial position at amounts, which reasonably approximate fair value.

Functional Expenses

The majority of expenses can generally be directly identified with the program or supporting services to which they relate and are charged accordingly. Other expenses have been allocated among the

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2014

programs and supporting services benefited based on various determinations by management.

Federal Income Taxes:

IEDA Relief is a nonprofit corporation exempt from federal income taxes under Internal Revenue Code section 501(c) (3). Therefore, these financial statements contain no provision for such taxes. IEDA Relief is not a private foundation. Informational returns are filed annually with federal and state taxing authorities.

IEDA Relief accounts for uncertain tax positions, when it is more likely than not, that such an asset or a liability will be realized. As of December 31, 2014, management believes there were no uncertain tax positions.

Use of Estimates:

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

NOTE 3 – TEMPORARY RESTRICTED NET ASSETS

As of December 31, 2014 and 2013 IEDA Relief does not have balances for temporary restricted assets

NOTE 4 – PROPERTY AND EQUIPMENT

As of December 31, 2014, and 2013, property and equipment consisted of the following:

	<u>2014</u>	<u>2013</u>
Furniture and fixtures	\$ 31,820	\$ 31,820
Vehicles	<u>58,305</u>	<u>58,305</u>
Total	90,125	90,125
Less: accumulated depreciation	<u>(26,544)</u>	<u>(8,549)</u>
Property and equipment, net	<u>\$ 63,581</u>	<u>\$ 81,577</u>

Depreciation expense for the years ended December 31, 2014 and 2013 amounted to \$17,996 and \$8,549, respectively.

NOTE 5 – OPERATING LEASE

The Company leases its principal office space in Houston, Texas under an operating lease agreement which expires in October 2018. The Company recorded \$32,530 in rent expense under this lease for the year ended December 31, 2014.

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2014

Future minimum lease payments as of December 31, 2014 were as follows:

Year ending December 31,	
2015	\$38,292
2016	\$59,784
2017	\$62,508
2018	\$52,090

IEDA Relief also leases office space in various countries in which it operates; those leases are short-term agreements. Rent expense (under all lease agreements) for the year ended December 31, 2014 was \$261,078 (Previous Year - \$272,341).

NOTE 6 - CONCENTRATION OF REVENUE

IEDA Reliefs revenue for the year ended December 31, 2014 was derived from grants awarded by agencies of the United Nations and other agencies. The major contributors for the year 2014 are as under:

<u>Name of the Agency</u>	<u>Amount (USD)</u>
United Nations High Commissioner for Refugees (UNHCR)	\$8,793,577
Others	11,187
TOTAL	\$8,804,764

IEDA Relief has no reason to believe that relationships with these agencies will be discontinued in the foreseeable future. However, any interruption of these relationships (i.e. the failure to renew grant agreements or withholding of funds) would adversely affect IEDA Reliefs ability to finance ongoing operations.

NOTE 7 - CONTINGENCY

IEDA Relief receives grants from various agencies of the United Nations. Such grants are subject to audit by the United Nations. The ultimate determination of amounts received under the United Nations grants is based upon the allowance of costs reported to and accepted by the United Nations as a result of the audits. Until such audits have been accepted by the United Nations, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

NOTE 8 - SUBSEQUENT EVENTS

IEDA Relief has evaluated subsequent events for recognition and disclosure through October 31, 2017 which is the date the financial statements were available to be issued. No matters were identified affecting the accompanying financial statements and related disclosures.