

# FINANCIAL STATEMENTS



**INTERNATIONAL EMERGENCY AND DEVELOPMENT AID  
(IEDA RELIEF) INC.  
FOR THE YEARS ENDED  
DECEMBER 31, 2016 AND 2015**

**Rakesh Jain, CPA PC**

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**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2016 and 2015**

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# Rakesh Jain, CPA PC

CERTIFIED PUBLIC ACCOUNTANT

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## 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

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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, 2016 AND 2015, and the related statements of activities, functional expenses and cash flow for the year then ended, and the related notes to the financial statements.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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Management is responsible for the preparation and fair presentation of these consolidated 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

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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 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 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 consolidated financial statements.

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# Rakesh Jain, CPA PC

CERTIFIED PUBLIC ACCOUNTANT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## OPINION

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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, 2016 and 2015 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.



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 POSITIONS  
DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 740,368	\$ 283,951
Grant receivables	0	14,371
Prepaid expenses and other assets	-	-
Property and equipment, (net of accumulated depreciation of \$17,996 and \$17,996 at 2015 and 2014, respectively)	35,129	45,585
<b>Total Assets</b>	<u>\$ 775,497</u>	<u>\$ 343,907</u>
<b>LIABILITIES AND NET ASSETS</b>		
Advances from Directors	\$ 194,095	\$ 99,293
Accounts Payable and Accrued Expenses	15,351	16,851
<b>Total liabilities</b>	<u>\$ 209,446</u>	<u>\$ 116,144</u>
<b>Net Asset</b>		
Unrestricted	\$ 566,051	\$ 227,763
Temporarily restricted	-	-
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 775,497</u>	<u>\$ 343,907</u>

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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>Grants and Contributions</b>		
Non-Government Organization	5,656,916	13,677,152
Small business and Individuals	<u>7,457</u>	<u>50,303</u>
Total Grants and Contributions	<u>5,664,373</u>	<u>13,727,455</u>
<b>Program Services</b>		
Camp Management and Shelter	370,320	440,262
Protection and Livelihood	3,569,133	10,864,706
Education and Logistics	<u>9011,987</u>	<u>1,423,230</u>
Total Program Services	<u>4,841,440</u>	<u>12,728,198</u>
<b>General and Administrative</b>		
Personnel	321,648	701,652
Communication	6,611	5,449
Travel	18,754	44,951
Consultants, lawyers, and audit	3,194	1,549
Repairs and maintenance	542	9,145
Administrative Expenses	115,902	72,894
Depreciation expense	17,996	17,996
Miscellaneous expense		<u>10,742</u>
Total General and Administrative	<u>484,647</u>	<u>864,378</u>
<b>Changes in Net Assets from operations</b>	338,286	134,879
<b>Net Asserts January 1</b>	227,765	92,886
<b>Net Assets end of year</b>	<u>566,051</u>	<u>227,765</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED, DECEMBER 13, 2016 AND 2015

	Camp Management and Shelter	Protection and Livelihood	Education and Logistics	Support Services	Total 2016	Total 2015
Personnel	34,256	1,218,656	406,381	321,647	1,980,941	813,802
Communication	724	39,295	3,732	6,611	50,360	185,337
Travel	3,354	193,988	34,717	18,754	250,813	362,258
Professional Fees	0	22,696	1,700	3,194	27,590	429,031
Repairs and maintenance	0	6,265	0	542	6,807	340,154
Program Activity Expenses	321,049	1,631,712	369,806	0	2,322,567	9,051,917
Office supplies	820	60,608	8,087	9,911	79,427	56,036
Bank Charges	985	2,939	1,072	7,950	12,947	296,782
Machinery and equipment	0	19,219	1,033	0	20,252	319,221
Occupancy	6,092	54,005	10,604	59,805	130,506	406,661
Administrative expense	0	79,907	30,217	56,232	166,355	60,681
Education materials	1,936	48,379	34,637	0	84,953	187,901
Commercial Contracts	0	155,742	0	0	155,742	277,760
Security Services	1,103	35,723	0	0	36,825	498,484
	<u>370,320</u>	<u>3,569,133</u>	<u>901,987</u>	<u>484,645</u>	<u>5,326,085</u>	<u>13,286,025</u>

The accompanying notes are an integral part of these financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.

STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 338,288	\$ 134,878
Adjustments to reconcile Net Revenue to Net Cash provided by operations:		
Grants Receivable	14,370	(14,370)
Prepaid Expenses and other assets	0	0
Depreciation	17,996	17,996
Accounts Payable and accrued expenses	(1,500)	9,851
Refundable Advances	94,801	(10,430)
Net cash used in operating activities	<u>456,415</u>	<u>137,925</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>281,951</u>	<u>146,027</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 740,368</u>	<u>\$ 283,951</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, 2016 AND 2015

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### **NOTE 1 -ORGANIZATION AND OPERATIONS**

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 2016 IEDA Relief had operations in the Democratic Republic of Congo, Cameroun, Burkina Faso, Mali, Senegal, Central African Republic, and Niger.

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, 2016.

#### **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 \$738,512 and \$235,112 in cash and cash equivalents held at financial institutions and on hand in USA and foreign countries of operations at December 31, 2016 and 2015, 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.

#### **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.

# INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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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 nonfinancial 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 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, 2016, 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

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – TEMPORARY RESTRICTED ASSETS**

As of December 31, 2016, and 2015 there are no temporary restricted assets

**NOTE 4 – PROPERTY AND EQUIPMENT**

As of December 31, 2016, and 2015, property and equipment consisted of the following:

	2016	2015
Furniture and fixtures	\$ 31,820	\$ 31,820
Vehicles	58,305	58,305
Computers	7,540	0
Total	97,665	90,125
Less: accumulated depreciation	(62,536)	(44,540)
Property and equipment, net	<u>\$35,129</u>	<u>\$45,585</u>

Depreciation expense for the years ended December 31, 2016 and 2015 amounted to \$17,996 and \$17,996, respectively.

**NOTE 5 – OPERATING LEASES**

The Company leases its principal office space in Houston, Texas under an operating lease agreement which expires in October 2018. The Company recorded \$59,805 in rent expense under this lease for the year ended December 31, 2016 (Previous Year - \$44,606).

Future minimum lease payments as of December 31, 2015 are as follows:

Year ending December 31	
2017	\$ 59,664
2018	\$ 49,720

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, 2016 was \$130,506 (Previous Year \$344,889).

**NOTE 6- CONCENTRATION OF REVENUE**

IEDA Relief's revenue for the year ended December 31, 2016 was derived from grants awarded by agencies of the United Nations and other agencies. The major contributors for the years 2016 and 2015 are as under: -

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief) Inc.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

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Name of Business or Agency	Amount in USD	
	2016	2015
United Nations High Commissioner for Refugees (UNHCR)	\$ 831,967	11,740,481
United Nations World Food Programme (UNWFP)	2,585,460	1,303,260
United Nations International Children's Emergency Fund	1,648,871	650,969
ShelterBox	348,349	
International Organization for Migration (IOM)	243,270	
Others	2,572	53,943
	<u>\$ 5,659,489</u>	<u>13,748,653</u>

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 November 9 ,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.

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