

**CONSOLIDATED
FINANCIAL STATEMENTS**



**FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

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Rakesh Jain, CPA PC

CERTIFIED PUBLIC ACCOUNTANT

REPORT OF INDEPENDENT AUDITOR

To
Audit Committee and Board of Directors
International Emergency and Development Aid
Houston, Texas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of International Emergency and Development Aid (“Organization”), which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, related consolidated statements of activities, functional expenses and cash flows for the years 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 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

Our responsibility is to express an opinion on these consolidated 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 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of International Emergency and Development Aid as of December 31, 2017 and 2016, the changes in the net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Rakesh Jain, CPA PC". The signature is written in a cursive, slightly slanted style.

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

Place: - Mont Belvieu, TX
Date: - July 30, 2018

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FINANCIAL STATEMENTS

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Consolidated Statement of Financial Position

<i>December 31,</i>	2017	2016
ASSETS		
Cash and cash equivalents	\$ 436,802	\$ 740,368
Property and equipment, (net of accumulated depreciation of \$ 83,044 and \$62,535 at 2017 and 2016, respectively)	14,620	35,129
Total Assets	\$ 451,422	\$ 775,497
LIABILITIES AND NET ASSETS		
Liabilities		
Advances from Directors	263,583	194,095
Accounts Payable and Accrued Expenses	10,400	15,531
Deferred Revenues	50,418	
Total current liabilities	324,401	209,446
Commitments and contingencies		
NET ASSETS		
Unrestricted	127,021	566,051
Temporarily restricted	-	-
Total liabilities and Net Assets	\$ 451,422	\$ 775,497

See accompanying Notes to financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
CONSOLIDATED STATEMENT OF ACTIVITIES

<i>Years Ended December 31,</i>	2017	2016
REVENUES		
Grants Non-Government Organization	\$ 5,805,330	\$5,656,916
Contributions	15,160	7,458
Donated Services	34,000	
Total revenues	5,854,490	5,664,374
EXPENSES		
PROGRAM EXPENSES		
Education and Health Nutrition	1,295,236	809,126
Camp Management	1,591,263	1,468,292
Food Security	335,634	37,280
Protection & Community Service	714,850	560,610
Shelter and Infrastructure	627,617	766,134
Total Program Expenses	4,564,600	3,641,442
General and Administrative Expenses	1,719,803	1,695,109
TOTAL EXPENSES	6,284,403	5,336,551
Exchange Gain (Loss)	(9,119)	10,465
Changes in Net Assets from Operations	(439,031)	338,288
Net Assets without donor restriction, beginning of year	566,051	227,763
Net Assets without donor restriction, end of year	\$ 127,020	\$ 566,051

See accompanying Notes to financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Consolidated Statement of Cash Flows

<i>Years ended December 31</i>	2017	2016
OPERATING ACTIVITIES		
Change in net assets	\$ (439,031)	\$ 338,288
Adjustments to reconcile net revenue to Net Cash provided by operations:		
Grants Receivable		14,370
Non-cash expenses		
Depreciation	20,508	17,996
Accounts Payable and accrued expenses	(4,951)	(1,500)
Refundable Advances	69,489	94,801
Deferred Revenues	50,419	
Net cash used in operating activities	(303,567)	463,955
Cash flows from Investing Activities		
Purchase of Property and equipment		(7,540)
Increase (decrease) in cash and cash equivalents		456,415
Cash and cash equivalents at beginning of year	740,368	283,951
Cash and cash equivalents at end of year	\$ 436,801	\$ 740,368

See accompanying Notes to financial statements

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Notes to the financial statements
December 31, 2017

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 2017 IEDA Relief had operations in Burkina Faso, Cameroon, Democratic Republic of Congo, Central African Republic Mali and Niger.

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

IEDA Relief assisted beneficiaries in various sectors: Camp coordination and management, Food security, Livelihood, Water, hygiene and sanitation, Protection including protection monitoring, Health-Nutrition, Shelter-NFI, Education and Cash based Transfer.

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 use by IEDA Relief Inc. is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of board of directors. 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, 2017 and 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 Inc. 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.

IEDA Relief Inc. had approximately \$436,802 (Previous Year - \$740,368) in cash and cash equivalents held at financial institutions and on hand in USA and foreign countries at December 31, 2017 and 2016, respectively. The majority of the funds invested in foreign countries are uninsured.

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Notes to the financial statements
December 31, 2017

Revenue Recognition:

Grants and contributions are reported as revenue in the year in which payments are received and/or unconditional promises are made. The organization reports gifts as cash and other assets that are received with donor stipulations limiting the use of the donated assets as support without donor restrictions if all such donor restrictions are met in the year the award is received. Gifts of cash and other assets that are received with donor restrictions if such donor stipulations are not fully met in the year the award is received.

When a stipulated time restriction ends, or purpose restriction is accomplished, 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. Unrestricted contributions and grants are recorded as revenue in the year notification is received from the donor. Grants received in the current year that are earmark for then next year are recorded as deferred revenues.

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.

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.

Liquidity and Availability:

The organization manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and grants to cover the programs that are being conducted. The Organization prepares very detailed budgets and has been very active in cutting costs to ensure the entity remains liquid.

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.

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).

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Notes to the financial statements
December 31, 2017

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, 2017, 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.

Recent Accounting Pronouncement to be adopted:

The Organization adopted the Financial Accounting Standards Board (FASB) Update (ASU) 2016-14 "Not for Profit entities (Topic 958): Presentation of Financial Statements of Not for Profit Entities for Fiscal year ended December 31, 2017. The adoption of this ASU had no effect on the net assets as of December 31, 2017 and 2016 or the change in net assets presented for the year ended December 31, 2017 or prior years.

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers (Topic 606)," which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that the entity should recognize revenue to depict the transfer of promised goods or services to customers in a amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date until annual reports beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application. Management currently evaluating the impact of this ASU on its financial

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Notes to the financial statements
December 31, 2017

statements.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842), “to increase transparency and compatibility among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all lease payments to be recorded. The ASU is effective for fiscal years beginning December 15, 2019 with early adaption permitted. Management is currently evaluating the impact of this ASU on its financial statements.

NOTE 3 – PROPERTY AND EQUIPMENT

As of December 31, 2017, and 2016, property and equipment consisted of the following:

	2017	2016
Furniture and fixtures	\$ 31,820	\$ 31,820
Vehicles	58,305	58,305
Computers	<u>7,540</u>	<u>7,540</u>
Total	97,665	97,665
Less: accumulated depreciation	<u>(83,044)</u>	<u>(62,536)</u>
Property and equipment, net	<u>\$ 14,620</u>	<u>\$ 35,129</u>

Depreciation expense for the years ended December 31, 2017 and 2016 amounted to \$17,996 and \$20,509, respectively.

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Notes to the financial statements
December 31, 2017

NOTE 4 Functional Expenses: the tables below present expenses by both their functions and nature for the year ended December 31, 2017 and 2016.

<i>Expenses by location for the year ended December 31, 2017 (in USD)</i>								2017	2016
	Houston	Burkina Faso	Cameroun	CAR	DRC	Mali	Niger	Total	Total
Revenues									
Grants Revenue		1,155,999	1,785,474	370,501	320,000	1,678,845	494,511	5,805,330	5,656,916
Donated Services	34,000							34,000	
Contributions	15,160							15,160	7,458
Total Revenues	49,160	1,155,999	1,785,474	370,501	320,000	1,678,845	494,511	5,854,490	5,664,374
Program Expenses									
Personnel		350,191	345,579	110,248	227,738	480,576	48,619	1,562,951	1,500,390
Materials		58,704	165,789	2,250	33,300		24,599	284,642	84,953
Management Fees			158,767	5,262	2,343	84,524	7,868	258,764	77,227
Consultants					2,914		430	3,344	432,920
Communication			31,640	482			13,019	45,141	43,750
Utilities			15,407	3,690		3,440	17,434	39,971	36,825
Lease and Rent			23,504	9,666		12,802	30,332	76,304	70,701
Travel			681,667	11,704	3,209	20,849	56,826	774,255	83,810
Repairs			39,095	691			237,669	277,455	265,846
Other		510,645	121,384	10,912	41,075	538,908	18,849	1,241,773	1,045,020
Total Program Expenses		919,540	1,582,832	154,905	310,579	1,141,099	455,645	4,564,600	3,641,442
Administrative	379,824	273,831	212,137	468,789	22,129	243,856	119,238	1,719,804	1,695,109
TOTAL EXPENSES	379,824	1,193,371	1,794,969	623,694	332,708	1,384,955	574,883	6,284,404	5,336,551
Net Asset Increase (Decrease)	(330,664)	(37,372)	(9,495)	(253,193)	(12,708)	293,890	(80,372)	(429,914)	327,823

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Notes to the financial statements
December 31, 2017

NOTE 5 - CONCENTRATION OF REVENUE

IEDA Reliefs revenue for the year ended December 31, 2017 and 2016 was derived from grants awarded by agencies of the United Nations and other agencies. Major contributors are as follows:

<i>For the year ended December 31,</i>	2017	2016
United Nations High Commissioner for Refugees	\$ 1,155,999	\$ 831,967
United Nations World Food Programme (UNWFP)	1,809,294	2,585,460
United Nations Children's Emergency Fund (UNICEF)	868,398	1,648,871
ShelterBox	744,294	348,349
The Food and Agriculture Organization of the United Nations (FAO)	29,569	
The United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)	402,889	
United Nations Development Programme	320,000	
United Nations Population Fund	138,449	
World Health Organization (WHO - OMS)	244,508	
International Organization for Migration (IOM)	91,931	243,270
Other Support Contribution	49160	6,457
Total	\$ 5,854,490	\$ 5,664,374

IDEA Relief operates in several countries. The following grants and contributions received in and 2017 and 2016.

<i>For the year ended December 31,</i>	2017	2016
Houston, Texas USA	\$ 49,160	\$ 7,458
Burkina Faso	1,155,999	711,309
Cameroun	1,785,474	1,275,612
Central African Republic	370,50	1,343,014
Democratic Republic of Congo	320,000	
Mali	1,678,845	1,008,720
Niger	494,511	1,318,261
	\$ 5,854,490	\$ 5,664,374

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.

INTERNATIONAL EMERGENCY AND DEVELOPMENT AID (IEDA Relief Inc.)
Notes to the financial statements
December 31, 2017

NOTE 6 - OPERATING LEASES

The Company leases its principal office space in Houston, Texas under an operating lease agreement which expires in October 2018. The company is currently negotiating to renew its lease with current landlord and expected to sign the new operating lease by September 30, 2018. The Company recorded \$52,381 in rent expense under this lease for the year ended December 31, 2017 (Previous Year - \$59,805).

Future minimum lease payments as of December 31, 2016 are as follows:

Year ending December 31,	
2018	\$52,090
2019	\$70,000

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, 2017 was \$166,844 (Previous Year - \$130,506).

NOTE 7- MANAGEMENT FEES

IEDA relief operating cost are supported primarily by contribution and support by local businesses and a portion of grants received from major donors allotted for administrative expenses.

NOTE 8- CONTINGENCY

IEDA Relief receives grants from various agencies of the United Nations and other agencies. 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 9- DONATED SERVICES

Fair value of donated services was recognized in the financial statements for the services rendered by the key employees. This represent the portion of their regular annual salaries unpaid in 2017.

NOTE 10- SUBSEQUENT EVENTS

IEDA Relief has evaluated subsequent events for recognition and disclosure through July 30, 2018 which is the date the financial statements were available to be issued. No matters were identified affecting the accompanying financial statements and related disclosures.