

INTERNATIONAL CHRISTIAN RESPONSE USA

Financial Statements
December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
International Christian Response USA
Seattle, Washington

Opinion

We have audited the accompanying financial statements of International Christian Response USA (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Christian Response USA as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of International Christian Response USA as of December 31, 2022 were audited by other auditors whose report dated July 24, 2023 expressed an unmodified opinion on those statements.

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 Christian Response USA's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 International Christian Response USA'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about International Christian Response USA'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.

Greenwood Ohlund

Seattle, Washington
June 11, 2024

INTERNATIONAL CHRISTIAN RESPONSE USA

STATEMENTS OF FINANCIAL POSITION December 31, 2023 and 2022

ASSETS	2023	2022
Current Assets		
Cash and cash equivalents	\$ 709,482	\$ 607,896
Property and Equipment, net	<u>30,973</u>	<u>21,218</u>
Total assets	<u>\$ 740,455</u>	<u>\$ 629,114</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 55,017	\$ 103,659
Net Assets Without Donor Restrictions	<u>685,438</u>	<u>525,455</u>
Total liabilities and net assets	<u>\$ 740,455</u>	<u>\$ 629,114</u>

See accompanying notes to financial statements.

INTERNATIONAL CHRISTIAN RESPONSE USA

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Support and Revenue		
Contributions	\$ 15,300,517	\$ 12,572,667
Other income	6,493	5,712
	<u>15,307,010</u>	<u>12,578,379</u>
Expenses		
Program services	14,444,468	11,758,790
Management and general	404,455	389,995
Fundraising	298,105	252,069
	<u>15,147,027</u>	<u>12,400,854</u>
	159,983	177,525
Net Assets Without Donor Restrictions, beginning of year	<u>525,455</u>	<u>347,930</u>
Net Assets Without Donor Restrictions, end of year	<u>\$ 685,438</u>	<u>\$ 525,455</u>

See accompanying notes to financial statements.

INTERNATIONAL CHRISTIAN RESPONSE USA

STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended December 31, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Grant support in hostile countries	\$ 13,861,716	\$ -	\$ -	\$ 13,861,716	\$ 11,260,660	\$ -	\$ -	\$ 11,260,660
Wages, taxes and benefits	500,525	143,007	71,504	715,035	418,313	119,518	59,759	597,590
Advertising and promotion	-	93,935	93,935	187,870	-	94,158	99,507	193,665
Professional fees	-	57,616	57,616	115,232	-	78,743	78,744	157,487
Travel	62,017	7,296	3,648	72,961	50,761	5,972	2,986	59,719
Office	-	58,799	6,533	65,332	-	51,730	399	52,129
Fundraising	-	-	61,363	61,363	-	-	5,349	5,349
Bank fees	-	23,344	-	23,344	-	16,878	-	16,878
Depreciation and amortization	7,706	7,705	-	15,411	2,821	2,821	-	5,642
Occupancy	-	12,155	1,351	13,506	-	15,466	1,719	17,185
Guest speakers	7,425	-	1,856	9,281	11,842	-	2,961	14,803
Miscellaneous	5,079	598	299	5,976	10,975	1,291	645	12,911
Vehicle	-	-	-	-	3,418	3,418	-	6,836
Total expenses	\$ 14,444,468	\$ 404,455	\$ 298,105	\$ 15,147,027	\$ 11,758,790	\$ 389,995	\$ 252,069	\$ 12,400,854

INTERNATIONAL CHRISTIAN RESPONSE USA

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 159,983	\$ 177,525
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	15,411	5,642
Change in operating assets and liabilities		
Accounts payable and accrued expenses	(48,642)	45,832
Net cash flows from operating activities	126,752	228,999
Cash Flows from Investing Activity		
Purchase of property and equipment	(25,166)	(8,107)
Net change in cash and cash equivalents	101,586	220,892
Cash and Cash Equivalents, beginning of the year	607,896	387,004
Cash and Cash Equivalents, end of the year	<u>\$ 709,482</u>	<u>\$ 607,896</u>

See accompanying notes to financial statements.

INTERNATIONAL CHRISTIAN RESPONSE USA

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

International Christian Response USA (the Organization), is a Christian nonprofit corporation formed in Washington State in March 2008. The Organization mobilizes spiritual and material support to encourage persecuted Christians to persevere and proclaim the gospel. This supply of material and spiritual support is primarily directed to countries or regions that are demonstrably hostile towards Christians, the church, and activities aimed at advancing the gospel. The Organization supports efforts and projects in these hostile areas focused on supporting the persecuted, equipping local churches, and advancing the gospel. The Organization also endeavors to faithfully share stories and news from these various fields with its United States base of support. This effort is aimed at facilitating greater unity within the global church by helping its supporters with more effectively praying and giving.

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. Actual results could differ from those estimates.

Financial Statement Presentation

In accordance with accounting principles generally accepted in the United States of America, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the contributions are recognized. There are no net asset with donor restrictions at December 31, 2023 or 2022, and therefore, this classification of net assets is not presented.

Cash and Cash Equivalents

Cash and cash equivalents represent cash in banks. The Organization considers all short-term securities with an original maturity of three months or less to be cash. The Organization maintains amounts deposited with financial institutions in excess of federally insured limits. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

Property and Equipment

Property and equipment is recorded at cost, or if acquired as a donation, at the estimated fair market value at the date donated. Additions, improvements, and expenditures that exceed \$500 which add to productive capacity or extend the life of an asset are capitalized. Expenditures for repairs and maintenance are charged to operations as incurred. Depreciation and amortization is recorded using the straight-line method over estimated useful lives of the assets, which range from 3 to 7 years.

INTERNATIONAL CHRISTIAN RESPONSE USA

NOTES TO FINANCIAL STATEMENTS

Property and equipment consist of the following at December 31:

	2023	2022
Computers and software	\$ 46,280	\$ 26,756
Furniture and fixtures	8,329	8,329
Vehicles	6,495	6,495
	61,104	41,580
Less: Accumulated depreciation and amortization	(30,131)	(20,362)
	<u>\$ 30,973</u>	<u>\$ 21,218</u>

Contribution Revenue Recognition

Contribution revenue is recognized when the unconditional award is made. Conditional contributions are not recognized until they become unconditional; that is, the conditions on which they depend are substantially met.

Conditional promises to give – that is, those with a measurable performance or barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Organization had approximately \$350,000 in conditional grants awarded, of which it was notified prior to December 31, 2023, not yet recognized as revenue. The awards are conditional upon the Organization performing certain measurables related to specific programs run by the Organization.

Donated Services

Donated services are recognized if services received (a) create or enhance nonfinancial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not donated. Many volunteers have donated significant amounts of time to the Organization's activities. The services of these volunteers are not recorded in the accompanying financial statements as they do not meet the criteria for recognition.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Wages, taxes and benefits, advertising and promotion, professional fees, travel, and office are allocated based on time and effort.

Advertising and Promotion

Advertising and promotion expenses are recognized to expense when incurred.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

INTERNATIONAL CHRISTIAN RESPONSE USA

NOTES TO FINANCIAL STATEMENTS

Reclassifications

Certain prior year balances have been reclassified in order to conform to the current year presentation.

Subsequent Events

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was June 11, 2024.

Note 2 – Liquidity and Availability of Resources

As part of the Organization's liquidity management plan, cash in excess of daily requirements may be invested in cash and cash equivalents.

At December 31, 2023 and 2022, the Organization has financial assets available for general expenditure over the next year (cash and cash equivalents) of \$709,482 and \$607,897, respectively.

Note 3 – Concentrations

Two donors accounted for 79% of total support and revenue for the year ended December 31, 2023. One donor accounted for 50% of total support and revenues for the year ended December 31, 2022.

The Organization distributed 99% of support to hostile countries through one foreign organization during the years ended December 31, 2023 and 2022.