

SUDAN RELIEF FUND INC.

**Financial Statements
And
Independent Auditor's Report**

For The Year Ended December 31, 2013

**Conlon and Associates
Certified Public Accountants**

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CONLON AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Sudan Relief Fund Inc.
Washington, DC

We have audited the accompanying financial statements of the Sudan Relief Fund Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, cash flows, and functional expenses, for the year then ended, and the related notes to the 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 U.S. generally accepted accounting principles; this includes 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.

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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 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 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 the Sudan Relief Fund Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

Conlon and Associates

October 7, 2014

SUDAN RELIEF FUND INC.
Statement of Financial Position
As of December 31, 2013

ASSETS

Current Assets

Cash	\$1,718,113
Investment in financial securities	4,387,697
Insurance reimbursements receivable	431,671
Prepaid expenses	<u>51,928</u>
Total current assets	<u>6,589,409</u>

Property and Equipment

Property and equipment, net	<u>-</u>
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TOTAL ASSETS	<u><u>6,589,409</u></u>
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LIABILITIES

TOTAL LIABILITIES	<u><u>-</u></u>
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NET ASSETS

Temporarily restricted	0
Unrestricted	<u>6,589,409</u>
Total net assets	<u>6,589,409</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 6,589,409</u></u>
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The Notes to the Financial Statements are an Integral Part of These Statements

SUDAN RELIEF FUND INC.
Statement of Activities
For the Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT			
Contributions	\$ 4,494,187	\$ 193,174	\$ 4,687,361
Investment income	200,591	-	200,591
Unrealized loss on investments	(178,685)	-	(178,685)
Total revenue and other support	4,516,093	193,174	4,709,267
Net assets released from restrictions	210,269	(210,269)	-
TOTAL REVENUE AND OTHER SUPPORT	4,726,362	(17,095)	4,709,267
EXPENSES			
Program services	2,899,978	-	2,899,978
Management and general	272,913	-	272,913
Fundraising	609,596	-	609,596
TOTAL EXPENSES	3,782,487	-	3,782,487
CHANGE IN NET ASSETS	943,875	(17,095)	926,780
NET ASSETS			
Beginning of year	5,645,534	17,095	5,662,629
End of year	\$ 6,589,409	\$ -	\$ 6,589,409

The Notes to the Financial Statements are an Integral Part of These Statements

SUDAN RELIEF FUND INC.
Statement of Cash Flows
For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ <u>926,780</u>
Adjustments to reconcile increase in net assets to cash provided by operating activities:	
Investment income	(200,591)
Investment management expense	15,794
Unrealized loss on investment	178,685
Insurance reimbursements receivable	(431,671)
Prepaid expenses	<u>(51,928)</u>
Total adjustments	<u>(489,711)</u>
Net cash provided by operating activities	<u>437,069</u>
NET INCREASE IN CASH	437,069
CASH AT BEGINNING OF YEAR	<u>1,281,044</u>
CASH AT END OF YEAR	\$ <u><u>1,718,113</u></u>

The Notes to the Financial Statements are an Integral Part of These Statements

SUDAN RELIEF FUND INC.
Statement of Functional Expenses
For the Year Ended December 31, 2013

Expense Category	Total	Program	Management and General	Fundraising
Advertising	\$ 30,900	\$ 30,900	\$ -	\$ -
Compensation - benefits	36,998	9,150	18,499	9,349
Compensation – payroll tax	14,012	3,503	7,006	3,503
Compensation - salaries	219,673	55,500	109,836	54,337
Contributions	2,000	2,000	-	-
Fees for service – non-employees				
Accounting	13,125	-	13,125	-
Administration	2,021	-	2,021	-
Advocacy	584,675	584,675	-	-
Fundraising	33,028	-	-	33,028
Direct mail – processing	383,903	155,481	-	228,422
Direct mail – printing and mail shop	383,605	155,360	-	228,245
Investment management expense	15,794	-	15,794	-
Legal	127,659	-	76,123	51,536
Grants – program	1,587,003	1,587,003	-	-
Information technology	563	563	-	-
Insurance	6,234	-	6,234	-
Office				
Bank charges	8,110	-	8,110	-
Supplies	2,725	-	2,725	-
Telephone	13,440	-	13,440	-
Travel	317,019	315,843	-	1,176
Total	<u>\$ 3,782,487</u>	<u>\$ 2,899,978</u>	<u>\$ 272,913</u>	<u>\$ 609,596</u>

The Notes to the Financial Statements are an Integral Part of These Statements

SUDAN RELIEF FUND INC.
Notes to Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

The Sudan Relief Fund, Inc. (Organization) (formerly Bishop Gassis Sudan Relief Fund Inc.), a nonprofit corporation, was founded in 1998 as a non-stock corporation in the State of Delaware. The mission of the Organization is to heighten awareness and to assist in capacity building, the provision of food, clothing, shelter, education, medical attention, and to proclaim the Gospel of Christ to the people of South Sudan.

Significant accounting policies are as follows:

Basis of Presentation:

Financial statement presentation follows the requirements of the FASB ASC 958-205 *Presentation of Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no temporarily or permanently restricted net assets at December 31, 2013.

Use of Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect: (1) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and (2) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes:

The Organization is exempt from federal income taxes under section 501(a) of the Internal Revenue Code, as an organization described in section 501(c)(3).

The Organization's income tax returns are subject to review and examination by federal and state authorities. The Organization is not aware of any activities that would jeopardize its tax-exempt status. The Organization is not aware of any activities that are subject to tax on unrelated business income or excise or other taxes.

SUDAN RELIEF FUND INC.
Notes to Financial Statements

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenue Recognition:

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All revenue is considered available for the Organization's general programs unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction and when the restrictions are met. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets in the Statement of Activities.

NOTE 2: CONCENTRATION OF RISK

Financial instruments, which subject the Organization to concentration of credit risk, consist of demand deposits placed at financial institutions, in excess of Federal Deposit Insurance Corporation (FDIC) insured limit, as well as a broker traded account consisting of unit investment trusts, corporate securities, and other investments. Management believes the risk of loss in this situation is minimal.

NOTE 3: INVESTMENTS

The Organization maintains a broker traded account, which is comprised of publicly traded securities and other investments, as categorized in the following table. Publicly traded securities are carried at fair value, with unrealized gains or losses recognized in the current period. Fair value was determined by quoted market values at December 31, 2013 (Level 1 inputs). Other investments are carried at cost.

Cash and money market funds	\$ 170,846
Stocks	86,457
Exchange-traded and closed-end funds	70,578
Municipal bonds	34,759
Corporate fixed income	365,546
Government securities	12,956
Certificates of deposit	27,378
Mutual funds	144,320
Unit investment trusts	3,124,857
Other investments, hedge funds shares	350,000
Total	\$ 4,387,697

SUDAN RELIEF FUND INC.

Notes to Financial Statements

NOTE 4: INSURANCE REIMBURSEMENTS RECEIVABLE

In July 2013, the Organization became involved, as the defendant in litigation brought by a former Board member. Certain legal costs are reimbursable, up to a maximum of \$2,000,000, under the Organization's insurance policy.

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of computer equipment. Equipment is depreciated on a straight-line basis, over the estimated useful lives. As of December 31, 2013, the equipment, which has a cost of \$13,536, was fully depreciated.

NOTE 6: ADVERTISING COSTS

The Organization incurred advertising costs of \$30,900 in accomplishing its mission. These costs were incurred for education and outreach. These costs, which are classified as program costs, are expensed when incurred.

NOTE 7: FUNCTIONAL CLASSIFICATION OF EXPENSES

The Organization allocates its expenses on a functional basis among program, management and general, and fundraising, according to their natural expenditure classification.

NOTE 8: JOINT COSTS RELATING TO PROGRAM AND FUNDRAISING

The Organization conducts direct mail campaigns that are partly a fund-raising function and partly provide education and awareness of the condition and needs of the people in South Sudan. The costs associated with direct mail processing, printing, and mail shop, are allocated to program and fund raising costs, based on the facts and circumstances of each mailing. During 2013, joint costs of \$767,508 were allocated \$310,841 to program and \$456,667 to fundraising.

NOTE 9: SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 7, 2014, the date the financial statements were available to be issued. In April of 2014, litigation was resolved in favor of the Organization, as defendant. In August 2014, the plaintiff appealed the Court's ruling.

NOTE 10: REPORT RELEASE DATE

Management has performed its final review of the financial statements through October 7, 2014, the date the financial statements were available to be issued.