

SUDAN RELIEF FUND INC.

Financial Statements
And
Independent Auditor's Report

As of and for the Year Ended December 31, 2014

Conlon and Associates, LLC
Certified Public Accountants

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CONLON AND ASSOCIATES, LLC
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, 2014, 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, 2014, 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, LLC

November 11, 2015

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SUDAN RELIEF FUND INC.
Statement of Financial Position
As of December 31, 2014

ASSETS

Current Assets

Cash	\$1,337,467
Investment in financial securities	4,601,140
Insurance reimbursements receivable	136,791
Prepaid expenses	8,839
Security deposit	<u>8,400</u>
Total current assets	<u>6,092,637</u>
TOTAL ASSETS	<u>6,092,637</u>

LIABILITIES

TOTAL LIABILITIES	<u>-</u>
	-

NET ASSETS

Unrestricted	<u>6,092,637</u>
TOTAL NET ASSETS	<u>6,092,637</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,092,637</u>

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, 2014

REVENUE AND OTHER SUPPORT

Contributions	\$ 4,949,770
Investment income	213,443
Total revenue and other support	<u>5,163,213</u>

EXPENSES

Program services	4,149,239
Management and general	717,514
Fundraising	793,232
TOTAL EXPENSES	<u>5,659,985</u>

CHANGE IN NET ASSETS (496,772)

NET ASSETS

Beginning of year	<u>6,589,409</u>
End of year	<u>\$ 6,092,637</u>

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, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in net assets	\$ (<u>496,772</u>)
Adjustments to reconcile decrease in net assets to cash used by operating activities:	
Decrease in insurance reimbursements receivable	294,880
Decrease in prepaid expenses	43,089
Increase in security deposit	(<u>8,400</u>)
Total adjustments	<u>329,569</u>
Net cash used by operating activities	<u>(167,203)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Change in investments	<u>(213,443)</u>
Net cash used by investing activities	<u>(380,646)</u>

NET DECREASE IN CASH (380,646)

CASH AT BEGINNING OF YEAR 1,718,113

CASH AT END OF YEAR \$ 1,337,467

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, 2014

Expense Category	Total	Program	Management and General	Fundraising
Advertising	\$ 24,000	\$ 24,000	\$ -	\$ -
Compensation, benefits	115,316	19,306	79,658	16,352
Compensation, payroll tax	13,800	3,345	6,878	3,577
Compensation, salaries	247,083	60,000	123,541	63,542
Fees for service, non-employees				
Accounting	12,000	-	12,000	-
Administration	81,000	-	81,000	-
Direct mail, other	227,687	93,352	-	134,335
Direct mail, printing and mail shop	789,360	323,638	-	465,722
Direct mail, processing and caging	111,316	45,640	-	65,676
Fundraising	44,028	-	-	44,028
Legal	179,777	-	179,777	-
Marketing	43,567	43,567	-	-
Other	8,021	6,000	2,021	-
Video production	216,803	216,803	-	-
Grants – program	3,191,772	3,191,772	-	-
Insurance	24,244	-	24,244	-
Office	35,383	-	35,383	-
Rent	10,800	-	10,800	-
Travel	284,028	121,816	162,212	-
Total	\$ 5,659,985	\$ 4,149,239	\$ 717,514	\$ 793,232

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, 2014.

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 IN FINANCIAL SECURITIES

The Organization maintains a broker traded account, which is comprised of cash equivalents, publicly traded securities and other investments. 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, 2014 (Level 1 inputs). Other investments, valued at \$470,586, are carried at market value.

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, 2014, the equipment, which has a cost of \$13,536, was fully depreciated.

SUDAN RELIEF FUND INC.
Notes to Financial Statements

NOTE 6: ADVERTISING COSTS

The Organization incurred advertising costs of \$24,000 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 PRORAM 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. Certain costs associated with direct mail, including processing, printing, and mail shop, are allocated to program and fund raising costs, based on the facts and circumstances of each mailing. During 2014, joint costs of \$1,128,363 were allocated \$462,630 to program and \$665,733 to fundraising.

NOTE 9: SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 11, 2015, the date the financial statements were available to be issued. In April of 2015, litigation was resolved in favor of the Organization, as defendant.

NOTE 10: REPORT RELEASE DATE

Management has performed its final review of the financial statements through November 11, 2015, the date the financial statements were available to be issued.