

i-Care Fund America, Inc.
Financial Statements

Year Ended December 31, 2019

i-Care Fund America, Inc.

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Ingle & Associates LLC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors
i-Care Fund America, Inc.
Boston, Massachusetts

We have audited the accompanying financial statements of i-Care Fund America, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and changes in net assets, 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 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

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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 i-Care Fund America, Inc. as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Ingle & Associates LLC". The signature is written in a cursive, slightly slanted style.

Ingle & Associates, LLC
October 15, 2020

i-Care Fund America, Inc.

Statement of Financial Position

December 31, 2019

Assets

Cash	\$	415,675
Investments, held-to-maturity		207,083
Accrued interest receivable, net of taxes		<u>3,772</u>
Total Assets	\$	<u><u>626,530</u></u>

Liabilities and Net Assets

Accrued expenses	\$	22,155
Net assets without donor restrictions		<u>604,375</u>
Total Liabilities and Net Assets	\$	<u><u>626,530</u></u>

See accompanying notes to financial statements.

i-Care Fund America, Inc.

Statement of Activities and Changes in Net Assets
Year ended December 31, 2019

Revenues & support:	
Contributions	\$ 2,162,999
Donated services	1,000
Investment income, net of investments expenses	<u>10,018</u>
Total revenues & support	2,174,017
Expenses:	
Program expenses	2,569,684
Support services	32,636
Other expenses, net	<u>28,324</u>
Total expenses	<u>2,630,644</u>
Change in net assets	(456,627)
Net assets - unrestricted, beginning of year	<u>1,061,002</u>
Net assets - unrestricted, end of year	<u>\$ 604,375</u>

See accompanying notes to financial statements.

i-Care Fund America, Inc.

Statement of Cash Flows
Year ended December 31, 2019

Cash Flows from Operating Activities:	
Change in net assets	\$ (456,627)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Foreign currency translation loss	30,002
Changes in assets and liabilities:	
Accrued interest receivable	(2,303)
Accrued expenses	11,954
Due to officer	<u>(4,800)</u>
Net Cash Used by Operating Activities	(421,774)
Cash Flows from Investing Activities:	
Proceeds from maturing investments	426,949
Purchase of investments	(437,175)
Additions to investments	<u>(6,970)</u>
Net Cash Used by Investment Activities	<u>(17,196)</u>
Net Decrease in Cash	(438,970)
Cash, beginning of year	<u>854,645</u>
Cash, end of year	<u>\$ 415,675</u>

See accompanying notes to financial statements.

i-Care Fund America, Inc.

Statement of Functional Expenses
Year ended December 31, 2019

	<u>Program</u> <u>Expenses</u>	<u>Support</u> <u>Services</u>	<u>Other</u> <u>Expenses</u>	<u>Total</u>
Grants	\$ 2,569,684	\$ -	\$ -	\$ 2,569,684
Professional fees	-	5,069	-	5,069
State filing preparation fees	-	6,600	-	6,600
Custodial fees	-	1,370	-	1,370
State fees	-	4,673	-	4,673
Miscellaneous expense	-	(1,928)	-	(1,928)
Travel	-	16,852	-	16,852
Foreign taxes	-	-	3,406	3,406
Foreign currency translation loss	-	-	24,918	24,918
TOTAL	<u>\$ 2,569,684</u>	<u>\$ 32,636</u>	<u>\$ 28,324</u>	<u>\$ 2,630,644</u>

See accompanying notes to financial statements.

i-Care Fund America, Inc.

Notes to Financial Statements
Year ended December 31, 2019

A. **Nature of the Organization** -

i-Care Fund America, Inc. is a Massachusetts not-for-profit organization that was organized on April 22, 2008 and commenced operations in 2009. Its mission is to substantially improve the quality of life of underprivileged Pakistanis, focusing on the areas of education, healthcare and the promotion of entrepreneurship and/or job creation.

The Organization solicits funds from donors who may or may not advise them on which charitable organization the funds should be channeled to. Donors are offered a trusted, cost-effective and flexible vehicle for charitable giving as an alternative to direct giving or creating a private foundation. These funds may be held by the Organization for an indefinite period of time. The Organization maintains control over these funds and makes grants at its sole discretion. They monitor and evaluate the performance of the charitable organizations that receive grants and if desired, they respond back to the donor with their observations.

B. **Summary of Significant Accounting Policies** -

Basis of Presentation:

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) number 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (NFP's), with an effective date for fiscal years beginning after December 15, 2017. The following summarized the major changes related to ASU 2016-14:

Net Assets

The most significant change is an update to reduce the number of net asset groups from 3 to 2. GAAP formerly required 3 groups of net assets; unrestricted, temporarily restricted and permanently restricted. The two general net asset categories are now labeled:

- Net Assets Without Donor Restrictions
- Net Assets With Donor Restrictions

Board Designated Net Assets

The ASU updated the requirements about how and when restricted net assets can be used, including board designations of net assets without donor restrictions.

The ASU update required separation and description of all board designations, appropriations, and similar actions presented on the face of the financial statements.

B. **Summary of Significant Accounting Policies (continued) -**

Basis of Presentation (continued):

Functional Expenses

The ASU updated the requirement that all NFP's report expenses by their functional and natural classifications in one location. This can be accomplished on the statement of activities or on a statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting service benefited. The ASU updated the requirement for a description of the method(s) used to allocate costs among program and support functions.

Liquidity of Assets

The ASU added disclosure requirements for:

- (a) *Qualitative information* in the notes to the financial statements that is useful to assessing an entity's liquidity and that communicates how an NFP manages its liquid resources available to meet cash needs for general expenditures within one year and
- (b) *Quantitative information* either on the face of the statement of financial position or in the notes that communicates the availability of an NFP's financial assets to meet cash needs for general expenditures within one year.

Other Provisions included in ASU 2016-14

The ASU updated the requirement for investment returns to be reported net of external and direct internal investment expenses.

The ASU removed the required reconciliation for NFP's using the direct method of reporting net cash flow.

The ASU added a requirement for contributions of property, plant, equipment or cash to acquire or construct fixed assets to be released from donor-restriction when the fixed assets are placed in service.

The ASU added a requirement in which equity transfers are to be reported separately as changes in net assets on the statement of activities.

Basis of Accounting -

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting.

i-Care Fund America, Inc.

Notes to Financial Statements
Year ended December 31, 2019

B. Summary of Significant Accounting Policies (continued) -

Cash and Cash Equivalents -

For purposes of the statement of cash flows the Organization considers all short-term debt securities purchased in US dollars with a maturity of three months or less to be cash equivalents. Any short-term debt securities purchased in a foreign currency would have been reflected as investments since they may be sensitive to market fluctuations in the foreign currency exchange rate.

Net Assets:

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

- (a) Net assets without donor restrictions are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired.
- (b) Net assets with donor restrictions include assets for which donor-imposed restrictions have not yet been met.

Contributions -

Contributions are recognized when the donor makes an unconditional promise to provide the Organization with funding.

The Organization has adopted ASC 958-360 “Accounting for Contributions Received and Contributions Made.” Under this accounting pronouncement, contributions received are recorded either as Net Assets Without Donor Restrictions or Net Assets With Donor Restrictions depending on the existence and/or nature of any donor restrictions. During the year ending December 31, 2019, there was no support received with donor restrictions.

Income Taxes –

The Organization is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code. The federal and state income tax returns of the Organization are subject to examination by the IRS and state taxing authority, generally for three years after they are filed.

As required under ASC Topic 740, the Organization regularly reviews and evaluates its tax positions taken in previously filed information returns and as reflected in its financial statements, with regard to issues affecting its tax-exempt status, unrelated business income, and related matters. It believes that in the event of an examination by taxing authorities, its positions would prevail based upon the technical merits of such positions.

B. Summary of Significant Accounting Policies (continued) -

Functional Expenses –

The Organization allocates direct costs to Program Services on the accompanying Statement of Functional Expenses. Direct costs can be defined as those expenses associated with a specific grant related program or event. This includes, but is not limited to grant expense. Direct costs and allocated general expenses of fundraising would be classified as fundraising costs for purposes of the Schedule of Functional Expenses based upon rational allocation of the nature of the expense. For 2019, there were no costs classified as fundraising costs.

Foreign Currency Translation -

The Organization is exposed to foreign currency exchange risk through its holding of investments in foreign treasury bills. These assets are translated at exchange rates at the balance sheet date. The earnings and expenses associated with these investments are translated using average rates in effect during the year. The resulting foreign currency translation adjustments are recorded as a separate component in the accompanying statement of functional expenses.

Donated Goods and Services –

Certain administrative services were provided by outside parties at no cost to the Organization. The officers of the Organization volunteered to provide assistance with overall strategy, overseeing the operations and various administrative and fund-raising activities. Friends of the Organization organized and hosted entertaining events and meetings where donations were collected.

The Organization records the value of donated goods and services when there is an objective basis available to measure their value. Donated services are reflected as contributions and corresponding expense at their estimated fair market value. The estimated fair market value for donated bookkeeping services were estimated at \$1,000 for the year ended December 31, 2019.

Use of Estimates –

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

C. Cash:

Cash includes \$3,335 held in a brokerage account in the Standard Chartered Bank of Pakistan which is used to trade investment activity such as that noted in footnote E. These funds are not insured by the United States Federal Deposit Insurance Corporation.

i-Care Fund America, Inc.

Notes to Financial Statements
Year ended December 31, 2019

D. Concentration of Risk:

As of December 31, 2019, the Organization had a cash balance in its United States bank accounts which had \$155,563 more than the \$250,000 insured by the United States Federal Deposit Insurance Corporation.

E. Investment:

The investment at year end is a Pakistani treasury bill being held in Pakistani rupees. It is a three-month treasury bill with a maturity date of January 2020, and a yield of 13.20%. Earnings from these types of investments are subject to foreign tax at the prevailing rate. These investment funds are not insured by the United States Federal Deposit Insurance Corporation.

The Organization is subject to the volatile local economic environment as they purchase investments and they mature, which may give rise to foreign translation gains and losses throughout the year.

F. Related Party Transactions:

During the year ending December 31, 2019, there were grants totaling \$2,569,684 paid to the i-Care Foundation, a non-profit organization located in Pakistan. From time to time there could be two to four officers for the i-Care Fund America who are also officers for the i-Care Foundation.

G. Subsequent Events:

The Organization has evaluated all subsequent events through October 15, 2020, the date the financial statements were available to be issued. The impact of COVID-19 cannot be fully evaluated at this time, as its impact worldwide will be felt for many more months. As of the date of this report, the Organization has not seen any significant disruption in revenue and services due to COVID-19. The Organization has determined there are no other events that require disclosure.