

FINANCIAL STATEMENTS



**FOR THE YEARS ENDED
JUNE 30, 2017 AND 2016**

INVISIBLE CHILDREN, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Invisible Children, Inc.
Washington, D.C.

We have audited the accompanying financial statements of Invisible Children, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows 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.

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 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 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 Organization as of June 30, 2017, and the changes in their net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

4550 MONTGOMERY AVENUE • SUITE 650 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • FAX (301) 951-3570 • WWW.GRFCPA.COM

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Report on Prior Year Comparative Statements

The financial statements of the Organization for the year ended June 30, 2016 were audited by other auditors, whose report dated October 28, 2016, expressed an unmodified opinion on those statements.

Gelman Rosenberg & Freedman

February 8, 2018

INVISIBLE CHILDREN, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2017 AND 2016

ASSETS

| | <u>2017</u> | <u>2016</u> |
|---|--------------------------|--------------------------|
| CURRENT ASSETS | | |
| Cash and equivalents | \$ 338,308 | \$ 557,699 |
| Accounts receivable | 30,300 | 25,043 |
| Prepaid expenses | <u>12,848</u> | <u>19,618</u> |
| Total current assets | <u>381,456</u> | <u>602,360</u> |
| FIXED ASSETS | | |
| Fixed assets, net of accumulated depreciation of \$282,876 and \$300,742 in 2017 and 2016, respectively | <u>1,012</u> | <u>4,551</u> |
| OTHER ASSETS | | |
| Security deposits | <u>6,417</u> | <u>6,417</u> |
| TOTAL ASSETS | <u>\$ 388,885</u> | <u>\$ 613,328</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|--------------------------|--------------------------|
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 30,984 | \$ 16,826 |
| Deferred revenue | <u>29,500</u> | <u>29,500</u> |
| Total current liabilities | <u>60,484</u> | <u>46,326</u> |
| NET ASSETS | | |
| Unrestricted | 325,683 | 564,101 |
| Temporarily restricted | <u>2,718</u> | <u>2,901</u> |
| Total net assets | <u>328,401</u> | <u>567,002</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 388,885</u> | <u>\$ 613,328</u> |

INVISIBLE CHILDREN, INC.

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

| | 2017 | | |
|---|--------------------------|-----------------------------------|--------------------------|
| | Unrestricted | Temporarily Restricted | Total |
| SUPPORT AND REVENUE | | | |
| Foundation grants and partnerships | \$ 536,667 | \$ 174,141 | \$ 710,808 |
| General donations | 339,960 | 2,567 | 342,527 |
| Program revenue | 325,168 | - | 325,168 |
| Other income | 51,335 | - | 51,335 |
| Net assets released from donor restrictions | <u>176,891</u> | <u>(176,891)</u> | <u>-</u> |
| Total support and revenue | <u>1,430,021</u> | <u>(183)</u> | <u>1,429,838</u> |
| EXPENSES | | | |
| Program Services: | | | |
| Mobilization | 131,446 | - | 131,446 |
| Protection | <u>1,171,052</u> | <u>-</u> | <u>1,171,052</u> |
| Total program services | <u>1,302,498</u> | <u>-</u> | <u>1,302,498</u> |
| Supporting Services: | | | |
| General and Administrative | 304,467 | - | 304,467 |
| Development | <u>61,474</u> | <u>-</u> | <u>61,474</u> |
| Total supporting services | <u>365,941</u> | <u>-</u> | <u>365,941</u> |
| Total expenses | <u>1,668,439</u> | <u>-</u> | <u>1,668,439</u> |
| Changes in net assets before other expenses | (238,418) | (183) | (238,601) |
| OTHER EXPENSE | | | |
| Gain on disposal of fixed assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Changes in net assets | (238,418) | (183) | (238,601) |
| Net assets at beginning of year | <u>564,101</u> | <u>2,901</u> | <u>567,002</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 325,683</u> | <u>\$ 2,718</u> | <u>\$ 328,401</u> |

| 2016 | | |
|--------------------------|-----------------------------------|--------------------------|
| Unrestricted | Temporarily Restricted | Total |
| \$ 644,959 | \$ 262,382 | \$ 907,341 |
| 374,316 | 4,114 | 378,430 |
| 328,856 | - | 328,856 |
| 43,127 | - | 43,127 |
| <u>265,132</u> | <u>(265,132)</u> | <u>-</u> |
| <u>1,656,390</u> | <u>1,364</u> | <u>1,657,754</u> |
| 121,940 | - | 121,940 |
| <u>1,517,409</u> | <u>-</u> | <u>1,517,409</u> |
| <u>1,639,349</u> | <u>-</u> | <u>1,639,349</u> |
| 227,053 | - | 227,053 |
| <u>91,350</u> | <u>-</u> | <u>91,350</u> |
| <u>318,403</u> | <u>-</u> | <u>318,403</u> |
| <u>1,957,752</u> | <u>-</u> | <u>1,957,752</u> |
| (301,362) | 1,364 | (299,998) |
| <u>459</u> | <u>-</u> | <u>459</u> |
| (301,821) | 1,364 | (300,457) |
| <u>865,922</u> | <u>1,537</u> | <u>867,459</u> |
| <u>\$ 564,101</u> | <u>\$ 2,901</u> | <u>\$ 567,002</u> |

See accompanying notes to financial statements.

INVISIBLE CHILDREN, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

| | Program Services | | | Supporting Services | | | Total Expenses |
|-----------------------------------|-------------------|---------------------|------------------------|----------------------------|------------------|---------------------------|---------------------|
| | Mobilization | Protection | Total Program Services | General and Administrative | Development | Total Supporting Services | |
| Communications | \$ 49,995 | \$ 4,260 | \$ 54,255 | \$ 1,714 | \$ 699 | \$ 2,413 | \$ 56,668 |
| Equipment | 6,410 | 1,438 | 7,848 | 5,532 | 1,599 | 7,131 | 14,979 |
| Fees and licenses | - | 33 | 33 | 4,610 | 16,126 | 20,736 | 20,769 |
| Insurance | 1,898 | 13,847 | 15,745 | 4,889 | 1,044 | 5,933 | 21,678 |
| International support | - | 946,352 | 946,352 | - | - | - | 946,352 |
| Office expenses | 100 | 119 | 219 | 1,211 | 656 | 1,867 | 2,086 |
| Professional services | 2,710 | 24,558 | 27,268 | 85,536 | 2,178 | 87,714 | 114,982 |
| Rent | 4,422 | 10,826 | 15,248 | 15,842 | 2,425 | 18,267 | 33,515 |
| Salaries | 54,084 | 132,751 | 186,835 | 159,284 | 29,731 | 189,015 | 375,850 |
| Shipping and handling | - | 70 | 70 | 215 | - | 215 | 285 |
| Taxes and employee benefits | 6,739 | 12,997 | 19,736 | 20,137 | 5,452 | 25,589 | 45,325 |
| Transportation | 1,921 | 23,734 | 25,655 | 4,365 | 1,564 | 5,929 | 31,584 |
| Utilities | - | 67 | 67 | 760 | - | 760 | 827 |
| Total expense before depreciation | 128,279 | 1,171,052 | 1,299,331 | 304,095 | 61,474 | 365,569 | 1,664,900 |
| Depreciation | 3,167 | - | 3,167 | 372 | - | 372 | 3,539 |
| TOTAL | \$ 131,446 | \$ 1,171,052 | \$ 1,302,498 | \$ 304,467 | \$ 61,474 | \$ 365,941 | \$ 1,668,439 |

See accompanying notes to financial statements.

INVISIBLE CHILDREN, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

| | Program Services | | | Supporting Services | | Total Supporting Services | Total Expenses |
|-----------------------------------|-------------------|---------------------|---------------------------|-------------------------------|------------------|---------------------------------|---------------------|
| | Mobilization | Protection | Total Program Services | General and Administrative | Development | | |
| Communications | \$ 3,370 | \$ 4,301 | \$ 7,671 | \$ - | \$ 641 | \$ 641 | \$ 8,312 |
| Equipment | 7,558 | 2,757 | 10,315 | 1,175 | 2,191 | 3,366 | 13,681 |
| Fees and licenses | - | 803 | 803 | 4,744 | 20,541 | 25,285 | 26,088 |
| Film production | 142 | - | 142 | - | 36 | 36 | 178 |
| Insurance | 3,776 | 14,815 | 18,591 | 6,170 | 2,158 | 8,328 | 26,919 |
| International support | - | 1,301,525 | 1,301,525 | - | - | - | 1,301,525 |
| Office | 200 | 1,457 | 1,657 | 7,809 | 13 | 7,822 | 9,479 |
| Professional services | 1,296 | 11,312 | 12,608 | 67,230 | 1,644 | 68,874 | 81,482 |
| Rent | 6,163 | 8,522 | 14,685 | 9,895 | 3,523 | 13,418 | 28,103 |
| Salaries | 81,368 | 112,504 | 193,872 | 96,912 | 52,488 | 149,400 | 343,272 |
| Shipping and handling | 6 | - | 6 | 442 | 28 | 470 | 476 |
| Taxes and employee benefits | 7,299 | 8,211 | 15,510 | 8,092 | 6,593 | 14,685 | 30,195 |
| Transportation | 3,270 | 49,815 | 53,085 | 5,223 | 1,021 | 6,244 | 59,329 |
| Utilities | 571 | 1,387 | 1,958 | 689 | 367 | 1,056 | 3,014 |
| Total expense before depreciation | 115,019 | 1,517,409 | 1,632,428 | 208,381 | 91,244 | 299,625 | 1,932,053 |
| Depreciation | 6,921 | - | 6,921 | 18,672 | 106 | 18,778 | 25,699 |
| TOTAL | \$ 121,940 | \$ 1,517,409 | \$ 1,639,349 | \$ 227,053 | \$ 91,350 | \$ 318,403 | \$ 1,957,752 |

See accompanying notes to financial statements.

INVISIBLE CHILDREN, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

| | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Changes in net assets | \$ (238,601) | \$ (300,457) |
| Adjustments to reconcile changes in net assets to net cash used by operating activities: | | |
| Depreciation and amortization | 3,539 | 25,699 |
| Loss on disposal of fixed assets | - | 459 |
| (Increase) decrease in: | | |
| Accounts receivable | (5,257) | 35,176 |
| Prepaid expenses | 6,770 | (192) |
| Security deposits | - | (1,050) |
| Increase (decrease) in: | | |
| Accounts payable and accrued liabilities | 14,158 | (13,869) |
| Deferred revenue | - | 29,500 |
| Net cash used by operating activities | <u>(219,391)</u> | <u>(224,734)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Sale of fixed assets | <u>-</u> | <u>4,855</u> |
| Net cash provided by investing activities | <u>-</u> | <u>4,855</u> |
| Net decrease in cash and cash equivalents | (219,391) | (219,879) |
| Cash and cash equivalents at beginning of year | <u>557,699</u> | <u>777,578</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 338,308</u> | <u>\$ 557,699</u> |

INVISIBLE CHILDREN, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Invisible Children, Inc. (the Organization) was founded in 2004, receiving its 501(c)(3) status from the IRS in 2005, with the specific mission to end Africa's longest-running conflict, led by Joseph Kony and his Lord's Resistance Army (LRA). Since the Organization's founding, it has mobilized unprecedented international action to stop the LRA, helped reduce LRA killings by 93% and helped thousands of central African families become safer from violence through innovative protection programs.

In its more than 10 years working hand-in-hand with communities affected by the LRA, the Organization has developed unparalleled experience, respected expertise, and a strong network of relationships with community leaders across central Africa. Today the Organization has utilized this experience to expand the scope of its mission and programs to protect communities in central Africa from many daily threats to their safety, which still includes LRA violence.

The Organization's current programs work to ensure our world's most isolated and vulnerable communities are free from violence and exploitation by focusing on 1) protection through connecting people to each other and the outside world, the prevention of violence, and community resilience, and 2) the advancement of effective policies through mobilizing groups of people to support international efforts that make children and families safer and through ensuring that affected populations are able to advocate for the needs of their community.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) ASC 958, *Not-for-Profit Entities*.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Accounts receivable -

Accounts receivable approximate fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Fixed assets -

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the years ended June 30, 2017 and 2016 totaled \$3,539 and \$25,699, respectively.

INVISIBLE CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Impairment of long-lived assets -

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced, by a charge to Statements of Activities and Changes in Net Assets, to its current fair value.

Income taxes -

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

Uncertain tax positions -

For the years ended June 30, 2017 and 2016, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Deferred revenue -

Deferred revenue consists of funds received in advance for future services. The Organization recognizes revenue as the engagement occurs.

Net asset classification -

The net assets are reported in two self-balancing groups as follows:

- **Unrestricted net assets** include unrestricted revenue and contributions received without donor-imposed restrictions. These net assets are available for the operation of the Organization and include both internally designated and undesignated resources.
- **Temporarily restricted net assets** include revenue and contributions subject to donor-imposed stipulations that will be met by the actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from donor restrictions.

Foundation grants and partnerships -

Unrestricted and temporarily restricted grants and partnerships are recorded as revenue in the year notification is received from the donor. Temporarily restricted grants and partnerships are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as temporarily restricted net assets in the accompanying financial statements.

INVISIBLE CHILDREN, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**
(Continued)

Foundation grants and partnerships (continued) -

The Organization receives funding under grants and contracts from 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.

Donated goods and services -

Donated goods and services consist mostly of donated advertising or legal services. Donated goods and services are recorded at their fair value as of the date of the gift. The Organization received \$47,211 and \$37,887 of donated goods and services for the years ended June 30, 2017 and 2016, respectively, which is included in other income on the accompanying Statements of Activities and Changes in Net Assets.

In addition, volunteers have donated significant amounts of their time to the Organization; these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Use of estimates -

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

New accounting pronouncements not yet adopted -

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (Topic 958), intended to improve financial reporting for not-for-profit entities. The ASU will reduce the current three classes of net assets into two: with and without donor restrictions. The change in each of the classes of net assets must be reported on the Statements of Activities and Changes in Net Assets. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early adoption is permitted. The ASU should be applied on a retrospective basis in the year the ASU is first applied. While the ASU will change the presentation of the Organization's financial statements, it is not expected to alter the Organization's reported financial position.

INVISIBLE CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(Continued)

New accounting pronouncements not yet adopted (continued) -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year thus the effective date is fiscal years beginning after December 15, 2018. Early adoption is permitted and should be applied retrospectively in the year the ASU is first applied. The Organization plans to adopt the new ASU at the required implementation date.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statements of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for fiscal years beginning after December 31, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach. The Organization plans to adopt the new ASU at the required implementation date.

2. FIXED ASSETS

Fixed assets consisted of the following at June 30, 2017 and 2016:

| | 2017 | 2016 |
|--------------------------------|-----------------|-----------------|
| Computer equipment | \$ 276,379 | \$ 290,783 |
| Video and camera equipment | 7,509 | 14,510 |
| Total fixed assets | 283,888 | 305,293 |
| Less: Accumulated depreciation | (282,876) | (300,742) |
| NET FIXED ASSETS | \$ 1,012 | \$ 4,551 |

3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2017 and 2016:

| | 2017 | 2016 |
|-------------------------------------|-----------------|-----------------|
| Sister Angelique Partnership | \$ 2,718 | \$ 2,901 |

INVISIBLE CHILDREN, INC.

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

3. TEMPORARILY RESTRICTED NET ASSETS (Continued)

The following temporarily restricted net assets were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Protection | \$ 174,141 | \$ 262,382 |
| Sister Angelique Partnership | 2,750 | 2,750 |
| TOTAL TEMPORARILY RESTRICTED NET ASSETS | \$ 176,891 | \$ 265,132 |

4. JOINT COSTS

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses of the Organization on a functional basis are estimated for the years ended June 30, 2017 and 2016 as:

| | 2017 | 2016 |
|------------------------------------|------------------|------------------|
| Program Services: | | |
| Web | \$ 2,658 | \$ 3,125 |
| Communications | 50,302 | 57,590 |
| Total program services | 52,960 | 60,715 |
| Supporting Services (Fundraising): | | |
| Web | 288 | 305 |
| Communications | 1,114 | 1,207 |
| Total supporting services | 1,402 | 1,512 |
| TOTAL EXPENSES | \$ 54,362 | \$ 62,227 |

5. LEASE COMMITMENTS

The Organization leases office space on a month-to-month basis.

Rent expense, including other facility costs and equipment rentals, for the years ended June 30, 2017 and 2016 was \$36,047 and \$31,205, respectively.

6. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 8, 2018, the date the financial statements were issued.

INVISIBLE CHILDREN, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

6. SUBSEQUENT EVENTS (Continued)

Subsequent to year-end, the Organization received notification of a significant award from the United States Agency for International Development (USAID). The period of performance of the award commences on October 13, 2017 and terminates on October 12, 2022. The total award amount of \$25,125,799 is obligated on a periodic basis. Additionally, the Organization received notification of an award from the State Department in the amount of \$445,960 for the period September 21, 2017 through March 31, 2019.

As of June 30, 2017, activities related to these awards have not been recorded as revenue (and grants receivable) due to the subsequent timing of the award notification, as well as the conditional nature of the agreement and its reimbursable terms. Upon satisfactory completion of the contributions required under such agreements, the Organization will recognize revenue in the year those conditions have been met.