



water for good.

INTEGRATED COMMUNITY DEVELOPMENT
INTERNATIONAL dba WATER FOR GOOD

Financial Statements
With Independent Auditors' Report

December 31, 2017 and 2016

INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba
WATER FOR GOOD

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5

INDEPENDENT AUDITORS' REPORT

Board of Directors
Integrated Community Development International dba Water for Good
Indianapolis, Indiana

We have audited the accompanying financial statements of Integrated Community Development International dba Water for Good (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Integrated Community Development International dba Water for Good as of December 31, 2017 and 2016, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Greenwood, Indiana
April 26, 2018

INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD

Statements of Financial Position

	December 31,	
	2017	2016
ASSETS:		
Cash and cash equivalents	\$ 1,607,124	\$ 212,211
Accounts and other receivables–net	25,732	18,584
Prepaid expenses	117,473	-
Inventory	173,197	22,602
Note receivable–net	79,407	83,589
Investments	38,500	27,443
Property and equipment–net	623,977	838,014
	\$ 2,665,410	\$ 1,202,443
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued payroll	\$ 33,939	\$ 19,596
Refundable advances	44,343	100,649
Debt	900	408,423
	79,182	528,668
Net assets:		
Unrestricted	2,464,907	628,948
Temporarily restricted	121,321	44,827
	2,586,228	673,775
Total Liabilities and Net Assets	\$ 2,665,410	\$ 1,202,443

See notes to financial statements

INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD

Statements of Activities

	Year Ended December 31,					
	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 3,100,518	\$ 732,245	\$ 3,832,763	\$ 642,097	\$ 1,152,186	\$ 1,794,283
Realized gain from sale of investments	102,108	-	102,108	-	-	-
Program and other revenue	87,153	-	87,153	77,728	-	77,728
	<u>3,289,779</u>	<u>732,245</u>	<u>4,022,024</u>	<u>719,825</u>	<u>1,152,186</u>	<u>1,872,011</u>
NET ASSETS RELEASED FROM RESTRICTIONS:						
Satisfaction of purpose restrictions	655,751	(655,751)	-	1,108,387	(1,108,387)	-
Total Support, Revenue, and Net Assets Released from Restrictions	<u>3,945,530</u>	<u>76,494</u>	<u>4,022,024</u>	<u>1,828,212</u>	<u>43,799</u>	<u>1,872,011</u>
EXPENSES:						
Program services	1,409,276	-	1,409,276	1,319,435	-	1,319,435
Supporting activities:						
Management and general	255,744	-	255,744	272,694	-	272,694
Fund-raising	444,551	-	444,551	356,557	-	356,557
Total Expenses	<u>2,109,571</u>	<u>-</u>	<u>2,109,571</u>	<u>1,948,686</u>	<u>-</u>	<u>1,948,686</u>
Change in Net Assets	1,835,959	76,494	1,912,453	(120,474)	43,799	(76,675)
Net Assets, Beginning of Year	<u>628,948</u>	<u>44,827</u>	<u>673,775</u>	<u>749,422</u>	<u>1,028</u>	<u>750,450</u>
Net Assets, End of Year	<u>\$ 2,464,907</u>	<u>\$ 121,321</u>	<u>\$ 2,586,228</u>	<u>\$ 628,948</u>	<u>\$ 44,827</u>	<u>\$ 673,775</u>

See notes to financial statements

INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD

Statements of Cash Flows

	Year Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,912,453	\$ (76,675)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	151,584	159,895
Bad debt expense	-	451
Discount on note receivable	(3,318)	-
Loss on disposal of equipment	64,713	71,666
Net unrealized gains on investments	(4,550)	(1,889)
Change in:		
Accounts and other receivables	(7,148)	(2,923)
Prepaid expenses	(117,473)	-
Inventory	(150,595)	13,431
Refundable advances	(56,306)	(9,402)
Accounts payable and accrued payroll	14,343	(40,054)
Net Cash Provided by Operating Activities	1,803,703	114,500
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of land, buildings and equipment	(2,260)	(32,208)
Proceeds from sale of land, buildings, and equipment	-	32,800
Purchase of investments	(6,929)	(2,940)
Sale of investments	422	299
Payments received on note receivable	7,500	12,500
Net Cash Provided (Used) by Investing Activities	(1,267)	10,451
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from debt	27,000	-
Repayments made on debt	(434,523)	(109,983)
Net Cash Used by Financing Activities	(407,523)	(109,983)
Change in Cash and Cash Equivalents	1,394,913	14,968
Cash and Cash Equivalents, Beginning of Year	212,211	197,243
Cash and Cash Equivalents, End of Year	\$ 1,607,124	\$ 212,211
NONCASH INVESTING ACTIVITIES:		
Cash paid for interest (none capitalized)	\$ 19,268	\$ 27,099
Note receivable issued on sale of equipment	\$ -	\$ 133,300
Discount on note receivable	\$ -	\$ 28,911

See notes to financial statements

INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL dba WATER FOR GOOD

Notes to Financial Statements

December 31, 2017 and 2016

1. NATURE OF ORGANIZATION:

Integrated Community Development International dba Water for Good (WFG) is a non-denominational, non-governmental, and non-profit faith-based organization presently working in the Central African Republic and other surrounding countries. WFG provides the tools needed to equip Central Africans as they implement ideas that can change their world. WFG has seen God work in many ways in Central Africa and hopes to continue to empower even more nationals. The WFG story for a village begins with launching a sustainable water business - clean water wells, sanitation facilities, and hygiene training - that generates an earned income stream to build sustainable integrated community development models encompassing agricultural programming, microenterprise development, and lifestyle modifications. All these programs are reinforced through Radio WFG, one of the most powerful stations in the country, reaching an estimated 80% of the population. Conflict continues in the country, limiting access to some areas of the country for expatriates, so training Central Africans is a key part of WFG's strategy. Support for WFG's ministry comes primarily from donor contributions.

WFG is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable state law, and contributions to the organization are tax deductible within the limitations prescribed by the Code. WFG has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code.

2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

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 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.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, cash and cash equivalents include checking and savings accounts and cash on hand. These accounts may, at times, exceed federally insured limits. WFG has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2017, approximately \$1,358,000 was in excess of federally insured limits. Approximately \$16,000 and \$37,000 were held in foreign accounts and currencies as of December 31, 2017 and 2016, respectively.

INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD

Notes to Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

ACCOUNTS AND OTHER RECEIVABLES

Accounts receivable arise from the billing of well drilling and other contractual services rendered. WFG's policy for determining when receivables are past due or delinquent is when payment has not been received within 30 days. Late fees and finance charges are not assessed on past due amounts. Other receivables represent travel and salary advances.

An allowance in the amounts of \$-0- and \$19,868 has been recorded for estimated uncollectible accounts as of December 31, 2017 and 2016, respectively, based on management's evaluation of collectability. Uncollectible accounts will be recorded as bad debt expense and additions to the allowance for bad debts when it is determined the amounts are uncollectible.

INVESTMENTS

Investments are held with Kosciusko County Community Foundation (KCCF) in Warsaw, Indiana. Fair value of the investments with KCCF is determined by the underlying investment strategy of KCCF. Donated investments are recorded at market value at the date of donation.

INVENTORY

Inventory consist of pump and drilling materials, car parts, and other supplies used for the mission of WFG. The pump and spare parts are held at overseas locations and are valued at lower of cost or market.

PROPERTY, EQUIPMENT, AND DEPRECIATION

Property and equipment expenditures in excess of \$5,000 and three years of useful life are capitalized at cost or, if donated, at fair market value on the date of donation. WFG reports donations of property and equipment as unrestricted support unless explicit donor stipulation specifies how the donated assets must be used. Depreciation is reported on the straight-line method over the estimated useful lives of the assets (generally five to thirty years).

INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL dba WATER FOR GOOD

Notes to Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

CLASSES OF NET ASSETS

The financial statements report amounts by class of net assets:

Unrestricted net assets are currently available for WFG purposes under the direction of the board, designated by the board for specific use, or resources invested in land, buildings and equipment, net of related debt.

Temporarily restricted net assets are contributed with donor stipulations for specific operating purposes or programs, with time restrictions, or not currently available for use until commitments regarding their use have been fulfilled.

Management has elected to omit the reporting disclosures associated with the *Endowment* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) due to lack of significance to its financial statements.

REFUNDABLE ADVANCES

Refundable advances consist of funds received in advance for well drilling and rehabilitation in Africa. WFG works with several donors and in some cases, WFG will enter into an agreement with a donor that involves donor imposed restrictions and stipulations that impose a condition on the gift. These conditional promises to give are recognized as a refundable advance until the conditions of the agreement have been substantially met. Once the conditions are substantially met, the funds are recognized as temporarily restricted contributions and subsequently released from restriction.

SUPPORT AND REVENUE

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or when ownership of donated assets is transferred to WFG. Unconditional promises to give are recorded in the statements of financial position when the organization is notified of the unconditional promise and allowances are made for amounts estimated as uncollectible. All contributions are considered available for unrestricted use unless specifically restricted by the donor or other legal restrictions. Currency gains (losses) from translation adjustments are included in other revenue on the statements of activities and approximated \$324 and (\$400) for the years ended December 31, 2017 and 2016, respectively.

EXPENSES, ADVERTISING AND JOINT COSTS

Expenses are recorded when incurred. All advertising costs are expensed when incurred. Advertising costs included in the statements of activities for the years ended December 31, 2017 and 2016, were approximately \$100 and \$2,400, respectively. WFG incurred no joint costs for the years ended December 31, 2017 and 2016.

INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD

Notes to Financial Statements

December 31, 2017 and 2016

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

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

3. FAIR VALUE MEASUREMENTS:

WFG has adopted the *Fair Value Measurement and Disclosure* topic of the FASB ASC. These standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The valuations for the hierarchy are determined as follows:

Level 1 - Quoted prices for identical instruments traded in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets or model-based valuations where significant assumptions are observable.

Level 3 - Model-based techniques using significant assumptions that are not observable. These unobservable assumptions are derived from the valuation given by the investment manager.

**INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD**

Notes to Financial Statements

December 31, 2017 and 2016

3. FAIR VALUE MEASUREMENTS, continued:

The table below presents the level within the fair value hierarchy at which investments are measured:

	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Investment:	\$ 38,500	\$ -	\$ -	\$ 38,500
	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Investment:	\$ 27,443	\$ -	\$ -	\$ 27,443

The following is a reconciliation of activity for assets measured at fair value based on significant unobservable inputs (Level 3):

	Level 3 Investments	
	2017	2016
Beginning balance	\$ 27,443	\$ 22,913
Additions	6,929	2,940
Investment returns	4,550	1,889
Investment expenses	(422)	(299)
Ending balance	\$ 38,500	\$ 27,443

**INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD**

Notes to Financial Statements

December 31, 2017 and 2016

4. ACCOUNTS AND OTHER RECEIVABLES:

Accounts and other receivables consists of:

	December 31,	
	2017	2016
Accounts receivable	\$ 18,873	\$ 29,796
Travel and salary advances	6,859	8,656
	25,732	38,452
Less allowance	-	(19,868)
	\$ 25,732	\$ 18,584

5. NOTE RECEIVABLE

During 2016, WFG sold equipment for \$125,000 to another organization. The note is non-interest bearing and payments of \$3,750 are due semi-annually until the note is paid in full. The note had an outstanding balance of \$105,000 and \$112,500 at December 31, 2017 and 2016, respectively. The discount rate used on the note receivable is 4%. The discount associated with the non-interest portion of the note is \$25,593 and \$28,911 at December 31, 2017 and 2016, respectively.

The note receivable matures as follows during the years ended December 31:

Year ending December 31,		
2018	\$	7,500
2019		7,500
2020		7,500
2021		7,500
2022		7,500
Thereafter		67,500
		105,000
Less discount		(25,593)
	\$	79,407

Management believes the note receivable is fully collectible. Accordingly, no reserve has been established.

**INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD**

Notes to Financial Statements

December 31, 2017 and 2016

6. PROPERTY AND EQUIPMENT:

Property and equipment-net consists of:

	December 31, 2017		
	USA	CAR	Total
Land	\$ -	\$ 49,000	\$ 49,000
Buildings and improvements	-	244,892	244,892
Vehicles	-	1,169,489	1,169,489
Equipment	-	315,173	315,173
	-	1,778,554	1,778,554
Less accumulated depreciation	-	(1,154,577)	(1,154,577)
	\$ -	\$ 623,977	\$ 623,977
	December 31, 2016		
	USA	CAR	Total
Land	\$ -	\$ 49,000	\$ 49,000
Buildings and improvements	24,130	226,341	250,471
Vehicles	-	1,468,236	1,468,236
Equipment	30,000	426,711	456,711
	54,130	2,170,288	2,224,418
Less accumulated depreciation	(34,718)	(1,351,686)	(1,386,404)
	\$ 19,412	\$ 818,602	\$ 838,014

Management has reviewed the assets in the Central African Republic (CAR), and in its opinion, has determined that they are under the control and ownership of WFG. While such items are recognized as assets of WFG, it should be noted that the political situation in CAR is subject to rapid change. Therefore, the reader should be aware that while WFG believes the assets are properly stated at the date of this report, subsequent changes could occur that would adversely affect the value of the assets in other countries. In addition, it should be understood that the carrying value of the assets in CAR may not be representative of the amount that would be realized should the assets be sold. Many of the assets that were designed to carry out the programs of WFG might have limited resale potential.

**INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD**

Notes to Financial Statements

December 31, 2017 and 2016

7. DEBT:

	December 31,	
	2017	2016
<p>WFG has a secured revolving line of credit from Grace Brethren Investment Foundation (GBIF) with a maximum borrowing limit of \$100,000. The line of credit carries a fixed interest rate of six percent and is due upon demand. During the year ended December 31, 2016, the line of credit was converted to a note payable. During the year ended December 31, 2017, the note payable was paid in full.</p>	\$	- \$ 21,017

<p>WFG obtained a secured revolving line of credit from Lake City Bank with a maximum borrowing limit of \$500,000. The line of credit carries a fixed rate of four percent. The loan is personally guaranteed by four individuals. This line of credit is due November 1, 2018.</p>	900	387,406
	\$ 900	\$ 408,423

8. NET ASSETS:

Unrestricted net assets consists of:

	December 31,	
	2017	2016
Undesignated	\$ 1,802,430	\$ (236,509)
Board designated endowment	38,500	27,443
Equity in property and equipment	623,977	838,014
	\$ 2,464,907	\$ 628,948

**INTEGRATED COMMUNITY DEVELOPMENT INTERNATIONAL
dba WATER FOR GOOD**

Notes to Financial Statements

December 31, 2017 and 2016

8. NET ASSETS, continued:

Temporarily restricted net assets consists of:

	December 31,	
	2017	2016
Well drilling	\$ 117,029	\$ -
Maintenance	3,596	44,758
Other	696	69
	\$ 121,321	\$ 44,827

9. BENEFIT PLANS:

WFG matches employee contributions up to 6% of an employee's regular pay to a 401(k) retirement plan. WFG contributions to the 401(k) plan were approximately \$25,000 and \$13,000 for the years ended December 31, 2017 and 2016, respectively.

WFG has elected a fully insured employee medical benefit program. Employee premium contributions are collected through pre-tax payroll deductions in the period in which the premium is due. Total expenses incurred for medical benefits were approximately \$71,000 and \$47,000 for the years ended December 31, 2017 and 2016, respectively.

10. RELATED PARTY TRANSACTIONS:

During the year ended December 31, 2016, WFG entered into an agreement with another organization, whose President is the founder of WFG, to sell equipment. The equipment was sold for \$23,835. At December 31, 2017 and 2016, \$8,300 was outstanding as a note receivable.

11. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through April 26, 2018, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.