



KESSLER ORLEAN SILVER
CERTIFIED PUBLIC ACCOUNTANTS

Karam Foundation, NFP

Financial Statements

December 31, 2014

Karam Foundation, NFP

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Independent Auditor's Report

To the Board of Directors
Karam Foundation, NFP
Lake Forest, Illinois

We have audited the accompanying statement of financial position of Karam Foundation, NFP (a not-for-profit corporation) as of December 31, 2014, 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 the financial statement 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 statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement.

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 statement of financial position referred to in the first paragraph presents fairly, in all material respects, the financial position of Karam Foundation, NFP as of December 31, 2014, in accordance with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Statements of Activities and Changes in Net Assets and Cash Flows

Because we were not engaged to audit the statements of activities and changes in net assets and cash flows, we did not extend our auditing procedures to enable us to express an opinion on results of operations and cash flows for the year ended December 31, 2014. Accordingly, we express no opinion on the results of operations and cash flows for the year ended December 31, 2014.

Respectfully submitted,

Kessler, Orlean, Silver & Company, P.C.

Kessler, Orlean, Silver & Company, P.C.

Certified Public Accountants

Deerfield, Illinois

March 8, 2016

Karam Foundation, NFP
Statement of Financial Position
December 31, 2014

Assets

Current Assets

Cash	\$ 271,579
Contributions Receivable	33,940
Prepaid Expenses	<u>41,357</u>

Total Current Assets	<u>346,876</u>
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Property

Furniture and Fixtures	3,006
Less: Accumulated Depreciation	<u>(100)</u>

Net Property	<u>2,906</u>
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Total Assets	<u><u>\$ 349,782</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts Payable	\$ 47,977
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Net Assets

Unrestricted	<u>301,805</u>
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Total Liabilities and Net Assets	<u><u>\$ 349,782</u></u>
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See accompanying notes to the financial statements.

Karam Foundation, NFP

Statement of Activities and Changes in Net Assets - Unaudited

For the Year Ended December 31, 2014

Support and Revenue

Contributions	\$ 866,947
Grants	45,000
Event	
Gross Proceeds	38,433
Direct Expenses	(21,217)
Product Sales	
Sales	11,277
Expenses	(3,424)
In-Kind Contributions	1,006
Miscellaneous Income	7,126
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Total Support and Revenue	945,148

Expenses

Fiscal Agent	20,004
Program Grants	398,065
Program Supplies	401,593
Administrative	
Advertising and Promotion	8,659
Freight	313
Meetings and Conferences	1,916
Office Supplies	6,764
Professional Fees	20,980
Travel	34,035
Depreciation	100
Miscellaneous	301
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Total Expenses	892,730

Change in Net Assets	52,418
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Net Assets, Beginning of Year	249,387
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Net Assets, End of Year	<u><u>\$ 301,805</u></u>
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Karam Foundation, NFP
Statement of Cash Flows - Unaudited
For the Year Ended December 31, 2014

Cash Flows from Operating Activities

Change in Net Assets \$ 52,418

Adjustments to Reconcile Change in Net Assets
to Net Cash Provided by Operating Activities

Depreciation	\$	100
In-Kind Contribution		(1,006)
(Increase) Decrease In:		
Accounts Receivable		(33,940)
Prepaid Expenses		(41,357)
Increase (Decrease) In:		
Accounts Payable		<u>47,977</u>

Total Adjustments (28,226)

Net Cash Provided by Operating Activities 24,192

Cash Flows from Investing Activities

Purchase of Fixed Assets (2,000)

Net Increase in Cash 22,192

Cash, Beginning of Year 249,387

Cash, End of Year \$ 271,579

Supplemental Disclosure of Cash Flow Information

Cash Paid for Income Taxes \$ -

Cash Paid for Interest \$ -

Karam Foundation, NFP
Notes to Financial Statements
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies

Organization

Karam Foundation, NFP (the “Organization”) is a non-profit Organization dedicated to help people help themselves. They seek to restore the dignity and quality of life for people affected by conflict by eliminating barriers to success through innovative education, entrepreneurial development and community-driven aid.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes would be reported as temporarily restricted or permanently restricted support that would increase those net asset classes. Contributions that are restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the contributions are made.

Cash

For purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash.

Property and Equipment

All expenditures for property and equipment in excess of \$500 are capitalized. Purchased property and equipment is carried at cost. Contributed property and equipment is carried at fair market value as of the date contributed. If donors stipulate how long assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Assets are depreciated over the estimated economic useful lives using both straight line and accelerated methods. Gains and losses from the sale or disposition of property are included in income.

Fair Value of Financial Instruments

The fair value of financial instruments including cash, contributions receivable, prepaid expenses and accounts payable approximates the carrying values, principally because of the short maturity of those items.

Karam Foundation, NFP
Notes to Financial Statements
For the Year Ended December 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Organization files U.S. federal and Illinois state informational tax returns. The federal and state informational tax returns of the Organization for 2012, 2013, and 2014 can be subject to examination by tax authorities, generally for three years after they were filed. The Organization recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. At December 31, 2014 there was no interest or penalties relating to income taxes recognized in the statement of activities.

Subsequent Events

Management has evaluated subsequent events through March 8, 2016, the date the financial statements were available to be issued.

Note 2 – Concentration of Credit Risk

The Organization maintains cash at a financial institution in excess of the Federal Deposit Insurance Corporation's \$250,000 limit. At December 31, 2014, the uninsured cash balance was \$13,493.

Note 3 – In-Kind Contribution

The Organization received a \$1,006 in-kind contribution for the year ended December 31, 2014 which consisted of office furniture.