

**INVISIBLE CHILDREN, INC.
FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

INVISIBLE CHILDREN, INC.

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Invisible Children, Inc.

We have audited the accompanying financial statements of Invisible Children, Inc. , A Nonprofit Organization, which comprise of the statement of financial position as of June 30, 2015, 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.

Earning Your Trust Since 1946

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Invisible Children, Inc., A Nonprofit Organization, as of June 30, 2015, and the results of its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of Invisible Children, Inc. as of June 30, 2014, were audited by other auditors whose report dated December 4, 2014, expressed an unmodified opinion on those statements.



CONSIDINE & CONSIDINE
An Accountancy Corporation

September 30, 2015

INVISIBLE CHILDREN, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

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	2015	2014
ASSETS		
CURRENT ASSETS		
Cash	\$ 777,578	\$ 1,126,985
Receivables	60,219	340,158
Awareness Product Inventory, Net of Reserve	-	78,767
Prepaid Expenses	19,426	162,853
	857,223	1,708,763
PROPERTY AND EQUIPMENT (NOTE 3)	35,564	443,520
OTHER ASSETS		
Security Deposits	5,367	128,077
TOTAL ASSETS	898,154	2,280,360
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	30,695	175,680
Deferred Rent	-	103,802
Deferred Revenue	-	548
TOTAL LIABILITIES	30,695	280,030
NET ASSETS (NOTE 4)		
Unrestricted	865,922	1,824,287
Temporarily Restricted Net Assets	1,537	176,043
	867,459	2,000,330
TOTAL LIABILITIES AND NET ASSETS	\$ 898,154	\$ 2,280,360

See Accompanying Notes

INVISIBLE CHILDREN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2015

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	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Foundation Grants and Partnerships	\$ 1,240,535	\$ 146,056	\$ 1,386,591
General Donations	840,908	63,353	904,261
Other Income	314,108	-	314,108
Awareness Products	181,179	-	181,179
	2,576,730	209,409	2,786,139
Net Assets Released From Temporary Restriction	383,915	(383,915)	-
	2,960,645	(174,506)	2,786,139
EXPENSES			
Program Services:			
Media	501,952	-	501,952
Mobilization	184,804	-	184,804
Protection	1,521,912	-	1,521,912
Recovery	373,007	-	373,007
	2,581,675	-	2,581,675
Supporting Services:			
General and Administrative	707,506	-	707,506
Development	365,226	-	365,226
	1,072,732	-	1,072,732
TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES	3,654,407	-	3,654,407
COST OF AWARENESS PRODUCTS	84,154	-	84,154
TOTAL OPERATING EXPENSES	3,738,561	-	3,738,561
OPERATING CHANGE IN NET ASSETS	(777,916)	(174,506)	(952,422)
OTHER EXPENSES			
Loss on Disposal of Property and Equipment	180,449	-	180,449
TOTAL CHANGE IN NET ASSETS	(958,365)	(174,506)	(1,132,871)
NET ASSETS - BEGINNING OF YEAR	1,824,287	176,043	2,000,330
NET ASSETS - END OF YEAR	\$ 865,922	\$ 1,537	\$ 867,459

See Accompanying Notes

INVISIBLE CHILDREN, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2014

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	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
General Donations	\$ 2,792,940	\$ 179,419	\$ 2,972,359
Foundation Grants and Partnerships	1,663,618	1,429,366	3,092,984
Awareness Products	313,071	-	313,071
Other Income	127,981	14,521	142,502
	4,897,610	1,623,306	6,520,916
Net Assets Released From Temporary Restriction	1,447,263	(1,447,263)	-
	6,344,873	176,043	6,520,916
EXPENSES			
Program Services:			
Media	1,014,539	-	1,014,539
Mobilization	2,296,200	-	2,296,200
Protection	3,028,730	-	3,028,730
Recovery	1,670,488	-	1,670,488
	8,009,957	-	8,009,957
Supporting Services:			
General and Administrative	1,847,089	-	1,847,089
Development	801,553	-	801,553
	2,648,642	-	2,648,642
TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES	10,658,599	-	10,658,599
COST OF AWARENESS PRODUCTS	298,473	-	298,473
TOTAL OPERATING EXPENSES	10,957,072	-	10,957,072
OPERATING CHANGE IN NET ASSETS	(4,612,199)	(176,043)	(4,436,156)
OTHER EXPENSES			
Loss on Disposal of Property and Equipment	139,126	-	139,126
TOAL CHANGE IN NET ASSETS	(4,751,325)	176,043	(4,575,282)
NET ASSETS - BEGINNING OF YEAR	6,575,612	-	6,575,612
NET ASSETS - END OF YEAR	\$ 1,824,287	\$ 176,043	\$ 2,000,330

See Accompanying Notes

INVISIBLE CHILDREN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

Expenses	Media	Mobilization	Protection	Recovery	Total Program Services	General and Administrative	Development	Total Supporting Services	Total
Communications	\$ 32,774	\$ 3,667	\$ 7,720	\$ -	\$ 44,161	\$ 8,339	\$ 7,307	\$ 15,646	\$ 59,807
Event Production	-	5,453	-	-	5,453	-	-	-	5,453
Equipment	4,518	14,437	4,128	414	23,497	6,476	5,607	12,083	35,580
Fees and Licenses	150	5,639	-	-	5,789	14,108	44,997	59,105	64,894
Film Production	385	-	-	-	385	-	898	898	1,283
Insurance	21,700	8,266	2,205	14,359	46,530	12,076	4,328	16,404	62,934
International Support	-	-	1,268,844	306,116	1,574,960	-	-	-	1,574,960
Office	73	2,375	85	2,206	4,739	17,027	3,209	20,236	24,975
Professional Services	123,622	2,600	82,131	-	208,353	71,054	22,598	93,652	302,005
Rent	73,981	25,359	-	5,317	104,657	189,132	23,909	213,041	317,698
Salaries	163,664	53,488	122,256	35,942	375,350	199,460	209,344	408,804	784,154
Shipping and Handling	197	26,408	41	-	26,646	2,014	4	2,018	28,664
Taxes and Employee Benefits	25,623	6,738	10,949	2,530	45,840	61,010	15,354	76,364	122,204
Transportation	950	15,790	22,038	4,753	43,531	15,553	21,597	37,150	80,681
Utilities	16,768	3,773	1,030	1,370	22,941	10,760	4,019	14,779	37,720
Total Expenses Before Depreciation	464,405	173,993	1,521,427	373,007	2,532,832	607,009	363,171	970,180	3,503,012
Depreciation	37,547	10,811	485	-	48,843	100,497	2,055	102,552	151,395
Total Program and Supporting Services Expenses	\$ 501,952	\$ 184,804	\$ 1,521,912	\$ 373,007	\$ 2,581,675	\$ 707,506	\$ 365,226	\$ 1,072,732	\$ 3,654,407

INVISIBLE CHILDREN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

Expenses	Media	Mobilization	Protection	Recovery	Total Program Services	General and Administrative	Development	Total Supporting Services	Total
Communications	\$ 150,028	\$ 23,426	\$ 8,890	\$ -	\$ 182,344	\$ 19,533	\$ 54,936	\$ 74,469	\$ 256,813
Event Production	-	754,469	-	-	754,469	-	30,331	30,331	784,800
Equipment	5,623	41,031	985	-	47,639	61,553	6,982	68,535	116,174
Fees and Licenses	710	14,202	-	-	14,912	38,295	124,918	163,213	178,125
Film Production	11,492	8,846	-	1,667	22,005	-	1,083	1,083	23,088
Insurance	3,472	27,664	2,687	29,225	63,048	123,063	5,951	129,014	192,062
International Support	-	-	2,824,038	1,261,381	4,085,419	-	-	-	4,085,419
Inventory Adjustments	-	70,421	-	-	70,421	-	-	-	70,421
Office	6,154	28,699	2,459	8,159	45,471	38,981	6,644	45,625	91,096
Professional Services	5,950	38,514	18,848	-	63,312	195,358	513	195,871	259,183
Rent	104,375	101,443	2,600	21,170	229,588	248,744	45,136	293,880	523,468
Salaries	558,406	672,299	125,377	295,608	1,651,690	693,278	403,853	1,097,131	2,748,821
Shipping and Handling	533	35,437	579	155	36,704	15,189	12,092	27,281	63,985
Taxes and Employee Benefits	70,634	69,403	7,632	26,277	173,946	123,894	22,893	146,787	320,733
Transportation	13,762	291,207	32,851	23,977	361,797	34,391	58,722	93,113	454,910
Utilities	416	14,439	100	891	15,846	97,096	2,426	99,522	115,368
Volunteer Support	11,441	36,764	600	1,440	50,245	7,527	22,934	30,461	80,706
Total Expenses Before Depreciation	942,996	2,228,264	3,027,646	1,669,950	7,868,856	1,696,902	799,414	2,496,316	10,365,172
Depreciation	71,543	67,936	1,084	538	141,101	150,187	2,139	152,326	293,427
Total Program and Supporting Services Expenses	\$ 1,014,539	\$ 2,296,200	\$ 3,028,730	\$ 1,670,488	\$ 8,009,957	\$ 1,847,089	\$ 801,553	\$ 2,648,642	\$ 10,658,599

INVISIBLE CHILDREN, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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	2015	2014
CASH FLOWS USED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,132,871)	\$ (4,575,282)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ACTIVITIES TO NET CASH USED BY OPERATING ACTIVITIES		
Depreciation	151,395	293,427
Allowance for Obsolete Awareness Products	-	197,764
Awareness Products - Direct Write-Offs	-	70,421
Loss on Disposal of Property and Equipment	180,449	139,126
Changes in Operating Assets and Liabilities		
Receivables	279,939	107,173
Awareness Product Inventory	78,767	23,824
Prepaid Expenses	143,427	369,459
Security Deposits	122,710	8,330
Accounts Payable and Accrued Liabilities	(144,985)	(1,251,795)
Deferred Rent	(103,802)	53,727
Deferred Revenue	(548)	(828,423)
	707,352	(816,967)
NET CASH USED BY OPERATING ACTIVITIES	(425,519)	(5,392,249)
CASH FLOWS PROVIDED/(USED) BY INVESTING ACTIVITIES		
Net Proceeds/(Purchase) of Property and Equipment	76,112	(40,573)
NET DECREASE IN CASH	(349,407)	(5,432,822)
CASH, BEGINNING OF YEAR	1,126,985	6,559,807
CASH, END OF YEAR	\$ 777,578	\$ 1,126,985
SUPPLEMENTAL DISCLOSURES		
Interest Paid	\$ -	\$ -
Taxes Paid	\$ -	\$ -

See Disclosure of Noncash Items in Note 2 - Donated Goods & Services

See Accompanying Notes

INVISIBLE CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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NOTE 1 ORGANIZATION

Joseph Kony and the Lord's Resistance Army (the "LRA") have been abducting, killing, and displacing civilians in East and central Africa since 1987. The founders of Invisible Children were three young filmmakers from Southern California who first encountered these atrocities in northern Uganda in 2003. They promised that they would do whatever they could to stop Joseph Kony and the LRA.

The three founders made a documentary about what they had seen called 'Invisible Children: The Rough Cut.' The film sparked a youth-driven grassroots movement that led to the establishment of Invisible Children, Inc. (the "Organization") as a registered California corporation in 2004. The Organization received 501(c)(3) status from the IRS in 2005. In its more than 10 years of operations, Invisible Children has evolved from a documentary-based awareness organization to one on the forefront of efforts to bring an end to LRA violence. The Organization utilizes an integrated four-part model that incorporates cutting-edge media development, international mobilization, and protection and recovery programs on the frontlines of the LRA conflict.

Media

The Organization creates media to document LRA atrocities, inform policymakers and practitioners on LRA developments, introduce new audiences to the conflict, and inspire action.

Mobilization

The Organization mobilizes groups of people to support and advance international efforts to end LRA atrocities.

Protection

The Organization works with regional partners to build and expand systems that warn remote communities of LRA attacks and encourage members of the LRA to peacefully surrender. It also facilitates locally-led efforts to reintegrate former LRA combatants back to their communities.

Recovery

The Organization works to rehabilitate children and families that are directly affected by the LRA and invests in education and economic recovery programs in the post-conflict region to promote lasting peace. Most of the Organization's programs in East and central Africa are carried out by regional partners.

In December 2014, the Organization worked in collaboration with its regional partners to sunset ongoing grants to education and economic recovery programs in Northern Uganda, so that it may focus greater resources toward programming in areas of central Africa that are currently affected by LRA atrocities (See Note 8).

INVISIBLE CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from these estimates.

Basis of Presentation - Financial statement presentations follow the recommendations of the Financial Accounting Standards Board in Statement of Financial Accounting Standards "Financial Statements for Not-for-Profit Organizations" (FASB ASC Topic 958). 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.

Unrestricted Net Assets - These consist of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services.

Temporarily Restricted Net Assets - These consist of assets which are restricted by donors for specific operating purposes and are not currently available for use in the Organization's operations until commitments regarding their use have been fulfilled or a separate passage of time has elapsed. At June 30, 2015 and 2014, there were \$1,537 and \$176,043 of temporarily restricted net assets, respectively.

Permanently Restricted Net Assets - Permanently restricted amounts are those which are restricted by donors that neither expire by the passage of time nor can be fulfilled or removed by the actions of the Organization. At June 30, 2015 and 2014, there were no permanently restricted net assets.

Cash - The Organization considers financial instruments with a fixed maturity date of less than three months to be cash equivalents. The Organization maintains its cash accounts at national commercial banks, which at times exceed the federally insured deposit limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash.

INVISIBLE CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables - Receivables consist of contributions receivable and pledges receivable. Contributions receivable consist of amounts initiated by donors that have not been realized as cash by the Organization. Contributions receivable were \$60,219 and \$61,158 as of June 30, 2015 and 2014, respectively. Pledges receivable consist of unconditional promises to give, which are recorded at the net realizable value at the time the promises are received. Pledges receivable were \$0 and \$279,000 as of June 30, 2015 and 2014, respectively. Management assesses the collectability of all contributions and pledges receivable at the close of each period and records an allowance for doubtful accounts based on specific identifications. Management has determined all contributions receivable and pledges receivable to be collectible at June 30, 2015 and 2014.

Awareness Product Inventory, net - Awareness product inventory consisted of awareness products and was valued at lower of cost or market, determined using the first in, first out method. During the year ended June 30, 2015, the Organization liquidated all awareness product inventory as a result of the change in organizational structure. Accordingly, \$134,400 of awareness product inventory was written off and disposed of as of June 30, 2015. At June 30, 2014, the allowance for obsolete awareness product for inventory was \$197,764, of which the Organization was able to sell \$15,885 as part of the liquidation of awareness products during the year ended June 30, 2015. During the year ended June 30, 2014, the Organization wrote off awareness product inventory of \$70,421 which is reflected in the Inventory Adjustments on the Statement of Functional Expenses.

Prepaid Expenses - Prepaid expenses are stated at cost less applicable amortization and include expenditures which will benefit future periods. Such expenditures are recorded as prepaid expenses and are amortized as expenses over actual periods benefited.

Property and Equipment - Property and equipment are carried at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives from three to five years. Maintenance and repair costs are charged to expenses as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

Support and Revenue Recognition - Support and revenue is recognized when earned, which may be when cash is received, unconditional promises made, in-kind donations received or when products are sold. Cash received for specific events that have not occurred is deferred until the event occurs.

INVISIBLE CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donor Imposed Restrictions - All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities and Changes in Net Assets as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period in which the contribution is received are classified as temporarily restricted and are then shown as released from restriction in the same year.

Fair Value Measurement - The Organization follows accounting standards consistent with the FASB codification which defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements for all financial transactions.

Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical financial statement elements. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar financial statement elements; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Donated Goods and Services - The Organization recognized the value of donated goods and services by recording the goods and services at fair value. To qualify for recognition, donated goods and services must create a nonfinancial assets or must require specialized skills that would have been purchased if not donated.

INVISIBLE CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair market value of contributed goods and services is reported as support and expense in the period in which the goods are received or services are performed. During the year ended June 30, 2015, the organization had received \$269,923 of donated legal services. Donations of goods and services during the year ended June 30, 2014 were \$62,738 and \$61,200, respectively. These donated goods and services are reflected in the Statements of Activities and Changes in Net Assets as other income. The fair value of donated goods and services has been measured on a nonrecurring basis using quoted prices for similar financial statement elements in inactive markets (Level 2 inputs). During the years ended June 30, 2015 and 2014, the Organization had many individuals volunteer substantial time and effort in order to perform a variety of tasks in the United States to assist the Organization in its mission. However, no amounts have been reflected in the financial statements for these donated services as they do not meet the criteria for recognition as contributed services.

Production and Film Costs - Costs related to the production of media to raise awareness are being expensed as incurred.

Advertising - The Organization expenses advertising costs as incurred. Advertising expenses for the years ended June 30, 2015 and 2014 were \$59,807 and \$256,813, respectively.

Shipping and Handling - The Organization includes costs related to shipping and handling of awareness products on the Statements of Functional Expenses as shipping and handling. These costs totaled \$27,525 and \$35,437, respectively, for the years ended June 30, 2015 and 2014.

Functional 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. Expenditures which can be identified as a program or support service are allocated directly, according to their natural expenditure classification. Costs that are common to several functions are allocated among programs and supporting services on the basis of estimates by management.

Income Taxes - The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The Organization, however, may be subject to tax on income which is not related to its exempt purpose. For the years ended June 30, 2015 and 2014, no such unrelated business taxable income was reported and, therefore, no provision for income taxes has been made. The Organization is not a private foundation.

INVISIBLE CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization follows accounting standards which clarify the accounting for uncertainty in income taxes recognized in the Organization's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition and measurement of a tax position taken or to be taken in a tax return. As of June 30, 2015, the Organization has not accrued interest or penalties related to uncertain tax positions. The Organization files tax returns in the U.S. Federal jurisdiction and the State of California. The Organization is no longer subject to examination by U.S. and California tax authorities for years before 2012 and 2011, respectively.

Reclassifications - Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3 PROPERTY AND EQUIPMENT

Major categories of property and equipment are summarized as follows:

	2015	2014
Computer Equipment	\$ 293,970	\$ 882,184
Video and Camera Equipment	17,676	114,654
Transportation Equipment	14,361	168,129
Furniture and Fixtures	-	35,336
	326,007	1,200,303
Accumulated Depreciation	(290,443)	(756,783)
	\$ 35,564	\$ 443,520

NOTE 4 NET ASSETS

Net assets consist of the following at June 30:

	2015	2014
Unrestricted:		
Undesignated	\$ 865,922	\$ 1,824,287
Temporarily Restricted:		
Sister Angelique Partnership	1,537	-
World Food Program Campaign	-	147,043
Rehabilitation Program	-	29,000
	1,537	176,043
Total Net Assets	\$ 867,459	\$ 2,000,330

INVISIBLE CHILDREN, INC.
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 5 JOINT COSTS

The Organization conducts activities that include both fundraising appeals and program components. The costs of conducting these joint activities are included in the total program services and supporting services expenses in the Statements of Functional Expenses. These joint costs were allocated between fundraising and program costs as follows for the years ended June 30, 2015 and 2014.

	June 30, 2015		
	Program	Fundraising	Total Costs
Awareness Media	\$ 246,958	\$ 3,662	\$ 250,620
Web	120,500	1,267	121,767
Communications	57,877	6,117	63,994
	\$ 425,335	\$ 11,046	\$ 436,381
	June 30, 2014		
	Program	Fundraising	Total Costs
National Tour	\$ 251,290	\$ 27,137	\$ 278,427
Film	443,380	2,275	445,655
Web	226,011	5,327	231,338
Fourth Estate	1,490,429	32,976	1,523,405
Communications	367,128	21,115	388,243
	\$ 2,778,238	\$ 88,830	\$ 2,867,068

NOTE 6 COMMITMENTS AND CONTINGENCIES

The Organization has a month to month lease agreement for its facilities.

In February 2014, the Organization entered into an agreement to lease office equipment. The operating lease is non-cancelable and expires in February 2017.

Minimum future payments under the non-cancelable lease for the years ended June 30 are as follows:

2016	\$ 3,129
2017	2,086
	\$ 8,345

The total expenses for facilities and equipment rentals for the years ended June 30, 2015 and 2014 was \$325,860 and \$552,998, respectively.

INVISIBLE CHILDREN, INC.
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JUNE 30, 2015 AND 2014

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NOTE 7 RETIREMENT PLAN

The Organization sponsored a 401(K) retirement plan which covered all eligible employees. Contributions to the profit sharing plan were at the discretion of the employees. As part of organizational restructuring during the year ended June 30, 2015, the Organization agreed to discontinue the plan. No contributions were made by the Organization during the years ended June 30, 2015 and 2014. As part of the termination of the plan, the entire amount contributed under the plan must be applied to the payments of benefits to the participants or their beneficiaries.

NOTE 8 GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. In 2014, the Board of Directors identified a weakness in the Organization's ability to obtain funding at a level sufficient to support the scope of its operations at that time, which created an uncertainty about the Organization's ability to continue as a going concern. Therefore, in December 2014, the Organization underwent a significant downsize as a result of financial instability and pending dissolution and has since right-sized its operations.

Under the direction of the Board of Directors, the executive team developed a strategy to reduce organizational expenses, downsize the majority of its US-based programs that focus on mass mobilization, and execute an extended plan for its Africa-based programming that will build the capacity of local implementing partners. In January 2015, after the initial execution of the strategy, the Organization transitioned many of its Board of Directors and its entire executive team so the configuration would best support the goals of that strategy.

As part of the restructure, the Organization was also able to adjust its funding model to successfully obtain funds and continue program operations. The Organization focused their attention on obtaining funding by contracting with third parties to provide program related services in East and central Africa. During the year ended June 30, 2015, the Organization was able to secure two contracts, which as of the report date, have successfully been renewed for an additional year. Also subsequent to year end, the Organization executed an additional substantial contract with a third party to further its program-related services in East and central Africa. Since the Organization has been able to securely execute these contracts, doubt about the Organization's ability to continue has been alleviated.

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NOTE 9 SUBSEQUENT EVENTS

In September 2015, the Organization executed a substantial contract with a third party and has renewed its existing contracts to provide program related services in East and central Africa (See Note 8).

Management has evaluated subsequent events through September 30, 2015, the date the financial statements were available to be issued.