

**CONCERN WORLDWIDE (U.S.), INC.**

***SINGLE AUDIT REPORT***

**YEAR ENDED DECEMBER 31, 2015**

# CONCERN WORLDWIDE (U.S.), INC.

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# SECTION 1

**CONCERN WORLDWIDE (U.S.), INC.**

***FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
(CFR UNIFORM GUIDANCE AUDIT)***

**DECEMBER 31, 2015**

# CONCERN WORLDWIDE (U.S.), INC.

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## INDEPENDENT AUDITOR'S REPORT

**Board of Directors  
Concern Worldwide (U.S.), Inc.  
New York, New York**

We have audited the accompanying financial statements of Concern Worldwide (U.S.) (the "Organization"), Inc., which comprise the statement of financial position as of December 31, 2015 and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Organization'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 Organization'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 Concern Worldwide (U.S.), Inc. as of December 31, 2015, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Board of Directors  
Concern Worldwide (U.S.), Inc.  
New York, New York**

***Report on Summarized Comparative Information***

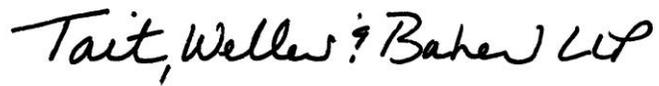
We have previously audited Concern Worldwide (U.S.), Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 7, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Concern Worldwide (U.S.), Inc. taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 18, 2016 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

  
TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania  
May 18, 2016, except for the schedule of federal awards,  
for which the date is June 23, 2016**

# CONCERN WORLDWIDE (U.S.), INC.

## STATEMENTS OF FINANCIAL POSITION

December 31, 2015 And 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,148,107	\$ 6,842,642
Receivables:		
U.S. Government	6,536,387	4,179,234
Other	1,627,872	740,596
U.S. Government grant advance to Concern Worldwide IRL	79,456	1,435,417
Prepaid expenses and other assets	<u>135,261</u>	<u>267,440</u>
<b>Total Current Assets</b>	<u>14,527,083</u>	<u>13,465,329</u>
<b>OTHER ASSETS</b>		
Cash – restricted	134,345	134,215
Deposits	2,572	2,572
Equipment – net of accumulated depreciation of \$223,711 in 2015 and \$333,445 in 2014	<u>886,671</u>	<u>57,172</u>
<b>Total Other Assets</b>	<u>1,023,588</u>	<u>193,959</u>
<b>Total Assets</b>	<u>\$ 15,550,671</u>	<u>\$ 13,659,288</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 711,388	\$ 889,768
Deferred rent and deferred rent credit	75,728	86,785
Deferred revenue – U.S. Government grants	79,456	1,435,417
Grants due to Concern Worldwide IRL and other Partners	<u>5,814,156</u>	<u>4,165,074</u>
<b>Total Current Liabilities</b>	<u>6,680,728</u>	<u>6,577,044</u>
<b>LONG TERM LIABILITIES</b>		
Deferred rent and deferred rent credit	<u>824,329</u>	<u>-</u>
<b>NET ASSETS</b>		
Unrestricted – undesignated	3,513,439	2,026,338
Unrestricted – board designated	1,451,490	1,150,000
Temporarily restricted	<u>3,080,685</u>	<u>3,905,906</u>
<b>Total Net Assets</b>	<u>8,045,614</u>	<u>7,082,244</u>
<b>Total Liabilities And Net Assets</b>	<u>\$ 15,550,671</u>	<u>\$ 13,659,288</u>

# CONCERN WORLDWIDE (U.S.), INC.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2015 With Summarized Information For 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
<b>Support and Revenue</b>				
Contributions and non-government grants	\$ 1,286,084	\$ 8,224,398	\$ 9,510,482	\$ 10,034,847
Support from Concern Worldwide IRL	547,082	-	547,082	1,273,143
Government grants	27,921,981	-	27,921,981	18,403,581
Special events – net	2,938,180	-	2,938,180	2,787,639
Investment income	8,103	-	8,103	5,273
Net assets released from restrictions	<u>9,049,619</u>	<u>(9,049,619)</u>	<u>-</u>	<u>-</u>
<b>Total support and revenue</b>	<u>41,751,049</u>	<u>(825,221)</u>	<u>40,925,828</u>	<u>32,504,483</u>
<b>Expenses</b>				
Program activities	36,958,600	-	36,958,600	28,761,988
Management and general	1,238,305	-	1,238,305	1,710,729
Fundraising	<u>1,765,553</u>	<u>-</u>	<u>1,765,553</u>	<u>1,150,774</u>
<b>Total expenses</b>	<u>39,962,458</u>	<u>-</u>	<u>39,962,458</u>	<u>31,623,491</u>
<b>Change in net assets</b>	1,788,591	(825,221)	963,370	880,992
<b>Net Assets</b>				
Beginning of year	<u>3,176,338</u>	<u>3,905,906</u>	<u>7,082,244</u>	<u>6,201,252</u>
<b>End of year</b>	<u>\$ 4,964,929</u>	<u>\$ 3,080,685</u>	<u>\$ 8,045,614</u>	<u>\$ 7,082,244</u>

# CONCERN WORLDWIDE (U.S.), INC.

## STATEMENTS OF CASH FLOWS

Years Ended December 31, 2015 And 2014

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	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Changes in net assets</i>	\$ 963,370	\$ 880,992
<i>Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities</i>		
Depreciation	74,632	43,987
(Increase) decrease in		
Cash – restricted	(130)	37,405
Receivables – U.S. Government	(2,357,153)	(1,183,199)
Receivables – other	(887,276)	413,650
Prepaid expenses and other assets	1,488,140	(1,446,127)
Increase (decrease) in		
Accounts payable and accrued liabilities	634,892	1,797,870
Grants due to Concern Worldwide IRL	<u>293,121</u>	<u>1,520,117</u>
<b>Net cash provided by operating activities</b>	<u>209,596</u>	<u>2,064,695</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	<u>(904,131)</u>	<u>(15,825)</u>
<b>Net cash used for investing activities</b>	<u>(904,131)</u>	<u>(15,825)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(694,535)	2,048,870
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning	<u>6,842,642</u>	<u>4,793,772</u>
<b>Ending</b>	<u>\$ 6,148,107</u>	<u>\$ 6,842,642</u>

# CONCERN WORLDWIDE (U.S.), INC.

## STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2015 with Summarized Information For 2014

	Program				Supporting Services			Total Expenses	
	Overseas Relief	Innovations	Development Education	Total	Management And General	Fundraising	Total	2015 Total	2014 Total
Salaries and Benefits	\$ 876,209	\$ 1,267,966	\$ 823,587	\$ 2,967,762	\$ 1,405,229	\$ 1,064,061	\$ 2,469,290	\$ 5,437,052	\$ 5,281,854
Travel, Lodging and meetings	169,754	225,530	53,744	449,028	32,461	46,694	79,155	528,183	590,206
Printing and Publications	6,572	13,564	17,330	37,466	3,441	40,395	43,836	81,302	85,142
Professional Fees	25,475	301,297	35,846	362,618	37,517	91,334	128,851	491,469	690,786
Website Management	1,516	6,190	96,206	103,912	3,638	2,041	5,679	109,591	146,560
Dues and Subscriptions	7,694	32,480	11,486	51,660	16,920	35,574	52,494	104,154	59,799
Office Supplies and Expenses	16,899	113,726	22,050	152,675	16,017	19,343	35,360	188,035	157,645
Video and Exhibitions	-	-	8,546	8,546	-	-	-	8,546	7,134
Occupancy	124,888	194,255	94,793	413,936	234,768	146,377	381,145	795,081	578,408
Miscellaneous Expenses	2,784	2,762	2,509	8,055	2,518	-	2,518	10,573	11,660
Packing, Postage and Shipping	(2,654)	3,673	1,056	2,075	2,010	18,829	20,839	22,914	53,887
Telephone	3,022	11,622	4,125	18,769	2,200	8,556	10,756	29,525	33,893
Grants									
Concern Worldwide IRL	29,461,752	479,046	-	29,940,798	-	-	-	29,940,798	21,320,097
Other Partners	36,221	2,104,382	-	2,140,603	-	-	-	2,140,603	2,562,433
Depreciation	<u>5,726</u>	<u>23,359</u>	<u>8,543</u>	<u>37,628</u>	<u>30,438</u>	<u>6,566</u>	<u>37,004</u>	<u>74,632</u>	<u>43,987</u>
<b>Total Expenses</b>	<b><u>\$ 30,735,858</u></b>	<b><u>\$ 4,779,852</u></b>	<b><u>\$ 1,179,821</u></b>	<b><u>\$ 36,695,531</u></b>	<b><u>\$ 1,787,157</u></b>	<b><u>\$ 1,479,770</u></b>	<b><u>\$ 3,266,927</u></b>	<b><u>\$ 39,962,458</u></b>	<b><u>\$ 31,623,491</u></b>

# CONCERN WORLDWIDE (U.S.), INC.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015 And 2014

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### (1) SIGNIFICANT ACCOUNTING POLICIES

#### **ORGANIZATION AND PURPOSE**

Concern Worldwide (U.S.), Inc. ("**Concern Worldwide**") is a not-for-profit corporation organized for the purposes of helping people living in extreme poverty to achieve major improvements in their lives which last and spread without ongoing support from Concern. To achieve this mission, Concern engages in long term development work, responds to emergency situations, seeks to address the root causes of poverty through advocacy work, educates the public of the need to provide relief assistance, and cooperates with other charitable organizations whether local, national or international for any of the foregoing purposes. Concern Worldwide is supported primarily by grants, public support and special events.

Concern Worldwide is affiliated with Concern Worldwide IRL, headquartered in Dublin, Ireland. Concern Worldwide IRL has provided and will continue to support Concern Worldwide (U.S.), Inc. in the form of grants, reimbursements, and in-kind support. Concern Worldwide (U.S.), Inc. supports Concern Worldwide IRL by recruiting personnel, providing training and capacity building, technical program support, financial and programmatic monitoring and financial grants for international programs.

#### **ACCOUNTING ESTIMATES**

The preparation of 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 as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **SUBSEQUENT EVENTS**

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, May 18, 2016, have been evaluated in the preparation of the financial statements.

#### **CONCENTRATION OF CREDIT RISK**

Concern Worldwide occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification ("**ASC**") 825, "**Financial Instruments**" identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

#### **INCOME TAXES**

Concern Worldwide is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "**Code**") and has been classified as a public charity under Section 509(a)(1) of the Code.

Management has reviewed the tax positions for each of the open tax years (2012 – 2014) or expected to be taken in Concern Worldwide's 2015 tax return and has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements.

# CONCERN WORLDWIDE (U.S.), INC.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015 And 2014

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### ***CASH AND CASH EQUIVALENTS***

Concern Worldwide considers cash and cash equivalents to include short-term investments with maturities of less than three months when purchased.

### ***PROPERTY AND EQUIPMENT***

Property and equipment are capitalized at cost and depreciated over their estimated useful lives on the straight-line basis (leasehold improvements – 10 years, furniture and fixtures – 5 years, computers and equipment – 3 years). Concern Worldwide follows the practice of capitalizing all expenditures related to property and equipment having a cost in excess of \$500. Donated property and equipment are similarly capitalized but at fair market value at the time of donation.

### ***NET ASSETS***

Net assets, revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Concern Worldwide and changes therein are classified and reported as follows:

***Unrestricted Net Assets*** – Net assets that are not subject to donor-imposed restrictions.

***Temporarily Restricted Net Assets*** – Net assets that are subject to donor-imposed restrictions.

### ***CONTRIBUTIONS***

Concern Worldwide reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as ***“net assets released from restrictions.”***

### ***U.S. GOVERNMENT GRANTS***

Concern Worldwide has various grants with the United States Government, from the United States Agency for International Development (***“USAID”***), including the Office of Foreign Disaster Assistance (***“OFDA”***) and the United States Department of State Bureau of Population, Refugees, and Migration (***“PRM”***). Concern Worldwide applies for such funds at the time the expenditure is made, which is the basis for recognizing revenue.

### ***CONTRIBUTED SERVICES AND EQUIPMENT***

Concern Worldwide received donated services from a variety of volunteers. These services are not subject to reasonable objective measurements and as such, are not reflected in the accompanying financial statements.

### ***FUNCTIONAL ALLOCATION OF EXPENSES***

The costs of the various programs and support activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services.

# CONCERN WORLDWIDE (U.S.), INC.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015 And 2014

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### **PRIOR YEAR INFORMATION**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Concern Worldwide's audited financial statements for the year ended December 31, 2014, from which the summarized information was derived.

### **RECLASSIFICATIONS**

Certain reclassifications were made to the 2014 financial statements to conform to the 2015 presentation.

### **(2) NET ASSETS**

The board designated \$1,451,490 and \$1,150,000 of unrestricted net assets as an operating reserve in 2015 and 2014, respectively. The operating reserve will be used as an internal line of credit to manage cash flow and maintain financial flexibility.

Temporarily restricted net assets at December 31, 2015 and 2014 are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Use in future periods	\$ 746,408	\$ 792,753
Innovation Grant	<u>2,334,277</u>	<u>3,113,153</u>
	<u>\$ 3,080,685</u>	<u>\$ 3,905,906</u>

For the year ended December 31, 2015 and 2014, net assets of \$9,049,617 and \$8,536,318, respectively, were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

### **(3) SPECIAL EVENTS**

During 2015 and 2014, Concern Worldwide held several fund-raising events. The gross receipts from these events were \$3,800,945 and \$3,611,760 for 2015 and 2014, respectively. Direct expenses consisting of \$862,765 in 2015 and \$824,121 in 2014 were charged against these receipts resulting in net proceeds of \$2,938,180 and \$2,787,638 respectively.

# CONCERN WORLDWIDE (U.S.), INC.

## NOTES TO FINANCIAL STATEMENTS – (Continued)

December 31, 2015 And 2014

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### (4) INNOVATION GRANT

Concern Worldwide U.S. secured a grant in the amount of \$35,739,465 (as amended) over the period November 3, 2008 to December 3, 2016 from the Bill & Melinda Gates Foundation (“*Gates Foundation*”). The grant is to test innovative solutions to critical implementation bottlenecks in five selected countries focusing on increasing coverage of effective intervention for maternal, newborn, and child health. Concern Worldwide IRL was the organization that commenced carrying out the services of this grant. Effective January 1, 2011, management of the grant transferred to Concern Worldwide U.S. As of December 31, 2015 and 2014, Concern Worldwide U.S. had \$2,334,277 and \$3,113,153 of unspent grant funding, respectively, which is included in temporarily restricted net assets. Total revenue and expenses recorded from the Gates Foundation in 2015 was \$4,001,271 and \$4,780,147, respectively. In 2014, total revenue and expenses recorded was \$4,004,324 and \$4,683,083, respectively.

### (5) LEASE COMMITMENTS

As of December 31, 2015, Concern Worldwide leases its office facilities in New York City and Chicago, Illinois under operating leases expiring through November 30, 2025. The New York City lease includes the building out of new office space. In connection with this build-out, Concern Worldwide was granted a seven month rent holiday and is being reimbursed for installation costs of up to \$638,400. As of December 31, 2015, Concern has a receivable in the amount of \$149,282 in connection with the buildout which is included in other receivables in the statement of financial position. The rent holiday and reimbursement for installation costs, which are included in the statement of financial position, are being amortized over the life of the lease. The leases are subject to adjustments for escalations and certain operating expenses. Rent expense for the years ended December 31, 2015 and 2014, was approximately \$738,000 and \$521,000, respectively.

Concern Worldwide also leases office equipment under various operating leases. Lease expense for the years ended December 31, 2015 and 2014, was approximately \$18,500 and \$19,000, respectively.

Approximate future minimum rentals under all non-cancelable operating leases are as follows:

	<b>Office Facilities</b>
2016	\$ 533,000
2017	520,000
2018	511,000
2019	511,000
2020	523,000
2021 and thereafter	<u>2,604,000</u>
	<u>\$ 5,202,000</u>

### (6) PENSION PLANS

Full time employees are eligible to contribute to Concern Worldwide’s defined contribution retirement plan after three months of service. Concern Worldwide matches up to 3% of eligible employees’ contributions to the plan. Total pension expense was approximately \$81,000 and \$85,200 for the periods ended December 31, 2015 and 2014.

## **SUPPLEMENTAL INFORMATION**

# CONCERN WORLDWIDE (U.S.), INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2015

<u>Federal Grantor/Program Title</u>	<u>Received As A Sub-Award From</u>	<u>Federal CFDA Number</u>	<u>Revenues</u>	<u>Expenditures</u>
<b>UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT</b>				
Humanitarian assistance and access to displaced and vulnerable communities in areas affected by recent Conflict in Masisi Territory, North Kivu Province, DRC		98.001	\$ 1,194,072	\$ 1,194,072
Responding to Pakistan's Internally Displaced (RAPID) Fund Phase II		98.001	5,845,754	5,845,754
Integrated Humanitarian Assistance to Vulnerable Communities in Areas Affected by Food Insecurity and Malnutrition		98.001	682,331	682,331
South Kordofan - Building Resilience; Improving Access to Lifesaving Services; and Emergency Response (BREIMER) in South and West Kordofan, Sudan		98.001	908,275	908,275
Emergency Nutrition Response in Unity State, South Sudan		98.001	562,573	562,573
Niger – Increasing the Resilience of the Poorest and Most Vulnerable Groups to Potential Shocks, Department of Tahoua		98.001	456,825	456,825
Bale Emergency Nutrition Response Project, Dello Mena and Meda Welabu Woredas, Oromia Region Ethiopia		98.001	(28)	(28)
CCC Strategic Ebola Response		98.001	4,200,002	4,200,002
Ebola Community Action Platform	MercyCorps	98.001	805,783	805,783
Education Quality and Access in Liberia (EQUAL)		98.001	1,105,827	1,105,827
Child Survival Project – Sierra Leone		98.001	103,661	103,661
Kenya – Improving Maternal, Newborn and Child Health for Pastoralists in Marsabit County		98.001	466,349	466,349
Kenya Indicator Development for Surveillance of Urban Emergencies		98.001	468,164	468,164
Humanitarian Assistance to Vulnerable Communities Affected by Conflict in the Central African Republic		98.001	1,498,709	1,498,709
Sudan- Multi-Sectoral Project Supporting Humanitarian Assistance and Early Recovery for Conflict Affected Communities in West Darfur		98.001	1,845,626	1,845,626
Pakistan – Community Based Disaster Risk Management Program		98.001	1,744,169	1,744,169
Addressing the acute food security needs and long-term vulnerability of the poorest households, Department of Tahoua, Niger		98.001	359,618	359,618
Emergency WASH Assistance in Conflict Affected areas of CAR		98.001	278,232	278,232

# CONCERN WORLDWIDE (U.S.), INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – (Continued)

Year Ended December 31, 2015

Federal Grantor/Program Title	Received As A Sub-Award From	Federal CFDA Number	Revenues	Expenditures
Integrated Humanitarian Assistance for Conflict-Affected Displaced Populations – South Sudan		98.001	464,812	464,812
Emergency WASH in Ain AI Arab/Kobani, Aleppo Governorate, Syria		98.001	230,744	230,744
Humanitarian Leadership Program		98.001	8,341	8,341
Potato Initiative for Food and Nutrition Security (PIFANS) in reference to Innovation Fund 1, Improving Food Security in Ethiopia RFA.		98.001	74,810	74,810
Increased food security of conflict affected communities in Aleppo and Ar-Raqqah Governorates, Syria		98.001	303,740	303,740
Improving nutrition programme coverage by supporting the identification and responses to barriers to access	Action Against Hunger	98.001	52,242	52,242
Infection prevention and control (IPC) and screening for suspected Ebola patients in primary health care facilities in Sierra Leone	IRC	98.001	428,797	428,797
Exploring the Potential of Nutrition-sensitive Conservation Agriculture in Zambia	Save the Children	98.001	36,150	36,150
Strengthening infection prevention and control (IPC) in Government hospitals in Sierra Leone	IRC	98.001	112,082	112,082
Building a better response seeks to increase and improve the engagement of NGOs with International humanitarian architecture learning workshops	IMC	98.001	340,870	340,870
Language, Literacy and Learning is an initiative by prime Education Development Center To promote literacy and educational equity in Rwanda	EDC	98.001	410,446	410,446
Infection prevention and control and screening for suspected Ebola patients in primary health care facilities	IRC	98.001	677,159	677,159
Uganda-MYAP-Resilience through Wealth, Agriculture, and Nutrition in Karamoja (RWANU)	ACDI/VOCA	98.001	<u>1,803,027</u>	<u>1,803,027</u>
<b>Total: United States Agency for International Development</b>			<u>\$27,469,162</u>	<u>\$27,469,162</u>
<b>DEPARTMENT OF STATE BUREAU OF POPULATION, REFUGEES, AND MIGRATION (PRM)</b>				
Education and school based psychosocial support (PSS) for Syrian off-camp refugee girls and boys in Sanliurfa Province, Turkey		19.519	<u>452,819</u>	<u>452,819</u>
<b>Total: Department of State PRM</b>			<u>452,819</u>	<u>452,819</u>
<b>Total: All Grants</b>			<u>\$27,921,981</u>	<u>\$27,921,981</u>

# CONCERN WORLDWIDE (U.S.), INC.

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2015

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### (1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Concern Worldwide (U.S.), Inc. (“Concern Worldwide”) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general-purpose financial statements.

### (2) SUBRECIPIENTS

Of the federal expenditures presented in the schedule, Concern Worldwide provided \$24,986,084 of the federal awards to subrecipients. All of its subrecipient awards were funded from awards received by the United States Agency for International Development.

### (3) INDIRECT COST RATE

Concern Worldwide has a negotiated indirect cost rate; as such, Concern Worldwide did not elect to use the 10% de minimis indirect cost rate.

# SECTION 2

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Directors  
Concern Worldwide (U.S.), Inc.  
New York, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Concern Worldwide (U.S.), Inc. (the “Organization”), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 18, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Board of Directors  
Concern Worldwide (U.S.), Inc.  
New York, New York**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tait, Weller & Baker LLP*

**Philadelphia, Pennsylvania  
May 18, 2016**

# SECTION 3

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN REQUIRED BY THE UNIFORM GUIDANCE**

**Board of Directors  
Concern Worldwide (U.S.), Inc.  
New York, New York**

***Report on Compliance for Each Major Federal Program***

We have audited Concern Worldwide (U.S.), Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2015. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal regulations* (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

**Board of Directors  
Concern Worldwide (U.S.), Inc.  
New York, New York**

***Report on Internal Control Over Compliance***

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Tait, Weller & Baker LLP*

**Philadelphia, Pennsylvania  
June 23, 2016**

# SECTION 4

# CONCERN WORLDWIDE (U.S.), INC.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2015

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### SECTION I

#### Summary of Auditor's Results

1. An unmodified opinion was issued on the financial statements of Concern Worldwide (U.S.), Inc., as of and for the year ended December 31, 2015.
2. There were no significant deficiencies or material weaknesses noted with respect to Concern Worldwide (U.S.), Inc.'s internal control over financial reporting.
3. Our audit disclosed no instances of noncompliance which are material to the financial statements of Concern Worldwide (U.S.), Inc.
4. No significant deficiencies or material weaknesses were reported with respect to Concern Worldwide (U.S.), Inc.'s internal control over its major programs.
5. An unmodified opinion was issued on compliance with requirements applicable to the major programs of Concern Worldwide (U.S.), Inc. in accordance with the Uniform Guidance.
6. Our audit disclosed no findings which are required to be reported in accordance with 2 CFR section 200.516(a).
7. The major program of Concern Worldwide (U.S.), Inc. is as follows:

<u>Federal Grant/Program Title</u>	<u>Federal CFDA Number</u>
USAID Foreign Assistance for Programs Overseas	98.001

8. The dollar threshold used to distinguish a Type A program was \$837,659.
9. Concern Worldwide (U.S.), Inc. qualified as a low-risk auditee.

### SECTION II

#### Findings Related to Financial Statements

None

### SECTION III

#### Federal Award Findings and Questioned Costs

None

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# SECTION 5

# CONCERN WORLDWIDE (U.S.), INC.

## *PRIOR YEAR FINDINGS*

**Year Ended December 31, 2015**

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The audit for the year ended December 31, 2014 disclosed no areas of non-compliance.

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