



**INTERNATIONAL MEDICAL CORPS**  
(A California Nonprofit Corporation)

Financial Statements

June 30, 2024

(With Comparative Financial Information as of June 30, 2023)

(With Independent Auditors' Report Thereon)



KPMG LLP  
Suite 1500  
550 South Hope Street  
Los Angeles, CA 90071-2629

## Independent Auditors' Report

The Board of Directors  
International Medical Corps:

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of International Medical Corps (Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Report on Summarized Comparative Information*

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024 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 solely 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 effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

**KPMG LLP**

Los Angeles, California  
December 18, 2024

**INTERNATIONAL MEDICAL CORPS**  
(A California Nonprofit Corporation)

Statement of Financial Position

June 30, 2024

(With comparative financial information as of June 30, 2023)

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 103,821,495	108,950,867
Grants receivable	15,563,710	11,442,343
Other receivables	1,878,262	2,396,304
Investments	7,130,133	5,665,238
Prepaid expenses	5,107,347	5,628,022
Deposits	408,852	432,752
Inventory of supplies and commodities	129,298	979,161
Right-of-use lease assets, net	2,028,970	2,253,537
Equipment, net	1,249,108	1,940,950
Total assets	<u>\$ 137,317,175</u>	<u>139,689,174</u>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 15,184,707	15,834,362
Accrued liabilities	34,936,582	29,790,894
Lease liability	1,780,264	2,213,280
Refundable advances	113,598	5,060,752
Funds on deposit from affiliates	10,327,682	1,935,189
Total liabilities	<u>62,342,833</u>	<u>54,834,477</u>
Without donor restrictions	30,795,548	26,673,563
With donor restrictions	44,178,794	58,181,134
Total net assets	<u>74,974,342</u>	<u>84,854,697</u>
Total liabilities and net assets	<u>\$ 137,317,175</u>	<u>139,689,174</u>

See accompanying notes to financial statements.

**INTERNATIONAL MEDICAL CORPS**  
(A California Nonprofit Corporation)

Statement of Activities

Year ended June 30, 2024

(With summarized information for the year ended June 30, 2023)

	<b>2024</b>			<b>2023</b>
	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>	<b>Total</b>
Operating revenue:				
Contract and grant support	\$ 195,029,798	—	195,029,798	167,842,115
Contributions	9,348,043	19,721,542	29,069,585	47,280,191
Donated goods	4,357,461	366,780	4,724,241	3,238,682
Donated services	1,055,633	(5,619)	1,050,014	5,164,239
Interest income	3,919,611		3,919,611	1,631,450
Other revenue	113,326		113,326	427,122
	<u>213,823,872</u>	<u>20,082,703</u>	<u>233,906,575</u>	<u>225,583,799</u>
Net assets released from restrictions	<u>34,085,826</u>	<u>(34,085,826)</u>	<u>—</u>	<u>—</u>
Total operating revenue and net assets released from restrictions	<u>247,909,698</u>	<u>(14,003,123)</u>	<u>233,906,575</u>	<u>225,583,799</u>
Operating expenses:				
Program services	214,514,806	—	214,514,806	204,895,827
Supporting services:				
Management and general	24,740,196	—	24,740,196	22,356,165
Fund-raising	5,879,534	—	5,879,534	5,018,045
Total supporting services	<u>30,619,730</u>	<u>—</u>	<u>30,619,730</u>	<u>27,374,210</u>
Total operating expenses	<u>245,134,536</u>	<u>—</u>	<u>245,134,536</u>	<u>232,270,037</u>
Change in net assets from operations	<u>2,775,162</u>	<u>(14,003,123)</u>	<u>(11,227,961)</u>	<u>(6,686,238)</u>
Nonoperating activities:				
Realized and unrealized investment gains (net)	1,346,823	783	1,347,606	762,435
Change in net assets	4,121,985	(14,002,340)	(9,880,355)	(5,923,803)
Net assets at beginning of the year	<u>26,673,563</u>	<u>58,181,134</u>	<u>84,854,697</u>	<u>90,778,500</u>
Net assets at end of the year	<u>\$ 30,795,548</u>	<u>44,178,794</u>	<u>74,974,342</u>	<u>84,854,697</u>

See accompanying notes to financial statements.

**INTERNATIONAL MEDICAL CORPS**

(A California Nonprofit Corporation)

Statement of Functional Expenses

Year ended June 30, 2024

(With summarized financial information for the year ended June 30, 2023)

	<u>Supporting services</u>				<u>2024 Total</u>	<u>2023 Total</u>
	<u>Program services</u>	<u>Management and general</u>	<u>Fund-raising</u>	<u>Total supporting services</u>		
Salaries and employee benefits	\$ 99,074,507	19,354,478	3,147,719	22,502,197	121,576,704	103,268,689
Allowances	2,088,220	107,803	450	108,253	2,196,473	2,162,581
Professional fees	5,699,254	2,828,858	1,286,493	4,115,351	9,814,605	7,684,512
Transportation and shipping	11,558,863	20,292	128,919	149,211	11,708,074	10,344,996
Depreciation	44,440	647,402	—	647,402	691,842	746,833
Travel	8,077,173	406,433	115,386	521,819	8,598,992	7,474,726
Conferences and meetings	657,722	105,589	18,751	124,340	782,062	1,251,020
Supplies, materials, and services	53,695,223	980,476	4,984	985,460	54,680,683	62,117,408
Communication	1,512,825	263,853	23,257	287,110	1,799,935	1,602,517
Insurance	1,547,824	232,582	35,590	268,172	1,815,996	1,763,327
Occupancy	8,323,865	727,341	47,648	774,989	9,098,854	7,747,919
Other costs	5,724,310	(934,911)	1,070,337	135,426	5,859,736	5,905,872
Subrecipients	10,168,889	—	—	—	10,168,889	11,623,392
Donated goods and food commodities	5,159,686	—	—	—	5,159,686	3,597,699
Donated services	1,182,005	—	—	—	1,182,005	4,978,546
Total expenses	\$ <u>214,514,806</u>	<u>24,740,196</u>	<u>5,879,534</u>	<u>30,619,730</u>	<u>245,134,536</u>	<u>232,270,037</u>

See accompanying notes to financial statements.

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Statement of Cash Flows

Year ended June 30, 2024

(With comparative financial information for the year ended June 30, 2023)

	<b>2024</b>	<b>2023</b>
Cash flows from operating activities:		
Change in net assets	\$ (9,880,355)	(5,923,803)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Contributed investments	(256,474)	(449,962)
Depreciation	691,842	746,834
Amortization	(213,052)	1,277,952
Realized and unrealized gains on investments	(1,224,441)	(670,081)
Change in operating assets and liabilities:		
Grants receivable	(4,121,367)	(5,600,907)
Other receivables	518,042	12,375,282
Prepaid expenses	520,675	199,100
Deposits	23,900	(90,862)
Inventory of supplies and commodities	849,863	(535,469)
Right-of-use assets and lease liability	4,603	(1,318,209)
Accounts payable and accrued liabilities	4,496,033	6,081,302
Refundable advances	(4,947,154)	1,109,874
Funds on deposit from affiliates	8,392,493	(1,547,999)
Deferred rent	—	(62,274)
Net cash (used in) provided by operating activities	<u>(5,145,392)</u>	<u>5,590,778</u>
Cash flows from investing activities:		
Purchases of equipment	—	(411,495)
Proceeds from sale of contributed investments	16,020	284,006
Net cash provided by (used in) investing activities	<u>16,020</u>	<u>(127,489)</u>
Net (decrease) in cash and cash equivalents	(5,129,372)	5,463,289
Cash and cash equivalents, beginning of year	<u>108,950,867</u>	<u>103,487,578</u>
Cash and cash equivalents, end of year	<u>\$ 103,821,495</u>	<u>108,950,867</u>
Supplemental disclosure of cash flows:		
Contributed investments	\$ 256,474	449,962
Cash paid for interest expense	—	10

See accompanying notes to financial statements.

**INTERNATIONAL MEDICAL CORPS**  
(A California Nonprofit Corporation)

Notes to Financial Statements

June 30, 2024

(With comparative information as of and for the year ended June 30, 2023)

**(1) Nature of Organization**

International Medical Corps (the Organization), incorporated under the General Nonprofit Corporation Law of the State of California, is a global, nonpolitical, and nonprofit humanitarian organization. Its mission is to improve the quality of life through health interventions and related activities that build local capacity in underserved communities worldwide. By offering training and healthcare to local populations and medical assistance to people at highest risk, and with the flexibility to respond rapidly to emergency situations, International Medical Corps rehabilitates devastated healthcare systems and helps bring them back to self-reliance.

To fulfill its purpose, International Medical Corps receives grants from individuals, foundations and corporations, including the AbbVie Foundation, AIG, Amgen Foundation, Baxter International, Bill & Melinda Gates Foundation, Bloomberg Philanthropies, California Community Foundation, FedEx, Gilead, JPMorgan Chase Foundation, Medtronic Foundation, Pfizer, P&G, Riot Games, ServiceNow and Sony.

In addition, the Organization receives funds under federal grants, cooperative agreements, and contracts from the U.S. Agency for International Development (USAID) and its Bureau for Humanitarian Assistance (BHA), the U.S. Department of State and its Bureau of Population, Refugees, and Migration (PRM), and the Department of Health and Human Services (DHHS) and its Centers for Disease Control and Prevention (CDC).

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

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

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

- *Without donor restrictions* – Net assets that are not subject to donor-imposed stipulations or law and that may be expendable for any purpose in performing the Organization's primary objective.
- *With donor restrictions* – Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Organization or the passage of time. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions until the assets are placed in service. Other donor restrictions may be perpetual in nature and must be maintained permanently by the Organization.

As the restrictions are satisfied, net assets are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions.



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(With comparative information as of and for the year ended June 30, 2023)

**(b) Cash and Cash Equivalents**

Cash equivalents consist of short-term, highly liquid invested funds with original maturities of less than three months. Cash and cash equivalents as of June 30, 2024 consisted of \$34,336,463 of cash and \$69,485,032 of government money market funds. Cash and cash equivalents as of June 30, 2023 consisted of \$43,083,321 of cash and \$65,867,546 of government money market funds.

For cash held in the United States, the Organization places its cash in high-credit quality institutions and generally limits the amount of credit exposure not to exceed the Federal Deposit Insurance Company (FDIC) insurance coverage limit of \$250,000. The balances in excess of FDIC limits were \$89,899,438 and \$98,370,004 at June 30, 2024 and 2023, respectively. Management believes that the risk with respect to the balances in excess of FDIC limits is minimal.

Additionally, under various grant agreements, the Organization is also required to maintain cash balances inside foreign countries and in the local currencies.

**(c) Investments in Equity Securities**

Investments in equity securities are carried at fair value. Fair value is determined in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement* (ASC Topic 820), as further described in note 12.

Investment transactions are recorded on the trade-date basis. Realized and unrealized gains and losses are recognized in the statement of activities.

**(d) Contributions**

Contributions, including unconditional promises to give, are recognized as revenue in the period received or pledged at estimated net realizable value.

**(e) Measure of Operations**

The statement of activities reports all changes in net assets, including changes from operating and nonoperating activities. Operating activities consist of items attributable to the Organization's program services and supporting services. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**(f) Grant Revenue Recognition**

Grant or contract funds received for which no corresponding expenditure has yet been made are accounted for as refundable advances. Expenditures made in advance of funds received are recorded as grants receivables. Interest earned on federal funds is the property of the federal government and, if earned, is remitted to the federal government on a regular basis. Accordingly, such interest is not reflected as revenue in the accompanying financial statements.

In accordance with ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions

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June 30, 2024

(With comparative information as of and for the year ended June 30, 2023)

restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. Contributions are conditional if the agreement includes both a barrier that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor's obligation to transfer assets. Conditional promises to give are not recognized until they become unconditional, that is, when the barriers on which they depend are met. The conditional contributions are related to funding for the establishment of new programs or continuation of current programs with the Organization's overall mission, subject to the terms of each agreement. Estimated conditional contributions of \$147,352,938 and 131,677,597 have been obligated to the Organization for utilization in future years as of June 30, 2024 and 2023, respectively.

As a result of the involvement of multiple parties in delivering services to customers, the Organization applies the framework within ASC 606-10-55-36 to determine which party is the principal versus agent to the customer.

**(g) Inventory of Supplies and Commodities**

Inventory consists of pharmaceuticals, medical supplies, and other commodities received from outside donors. Inventory is recorded at estimated fair value at the date of contribution and is based on the first-in, first-out method. Inventory sent by the donor directly to the field office is recorded as unrestricted revenue. Inventory sent by the Organization headquarters is released from restriction upon receipt at destination, typically the field office.

**(h) Prepaid Expenses**

Prepaid expenses consist mainly of the unexpired portion of insurance premiums paid and advance SaaS (software as a service licensing and maintenance) and rental payments.

**(i) Equipment**

Equipment acquired is recorded at cost at the time of purchase or, if contributed, at the fair value at the date of contribution. Depreciation is calculated using the straight-line method over the estimated useful lives as shown below:

Machinery and equipment	3–5 years
Leasehold improvements	3–5 years
Automobiles	3–5 years
Computer hardware and software	3–5 years

Equipment purchased under the specific terms of certain grants remain generally within the control of the grantor and are subject to transfer to other projects or organizations under the terms of the agreement. Such equipment is not capitalized by the Organization, but is expensed against the specific grant in the period purchased.

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June 30, 2024

(With comparative information as of and for the year ended June 30, 2023)

When assets are retired or sold, the related cost and accumulated depreciation are removed from the accounts, and any gain or loss arising from such disposition is recorded. Expenditures for repairs and maintenance are charged to expense as incurred.

**(j) Accrued Liabilities**

Accrued liabilities consist mainly of unpaid earned payroll and fringe benefits.

**(k) Income Taxes**

The Organization has received tax-exempt status as a publicly supported organization as provided in the Internal Revenue Code under Section 501(c)(3) and the California Revenue and Taxation Code Section 23701d. However, the Organization remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

FASB ASC Subtopic 740, *Income Taxes*, related to accounting for uncertainty in income taxes, 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. The Standard requires that the entity account for and disclose in the financial statements the impact of a tax position if that position will more likely than not be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Organization has evaluated the financial statement impact of tax positions taken or expected to be taken and determined it has no uncertain tax positions that would require tax assets or liabilities to be recorded in accordance with accounting guidance.

**(l) Donated Goods and Services**

Gifts-in-kind are recorded in accordance with ASC 958-605.

The organization typically receives services provided by medical personnel, as well as freight and transportation services. Donated services are recognized if they create or enhance non-financial assets or require specialized skills. Donated services have been recorded at actual or estimated fair market value.

Donated goods include pharmaceuticals, medical supplies, equipment, food and other non-food items. Pharmaceuticals are valued using principal exit market data, while non-pharmaceutical items are recorded based on the donor-declared value, verified through sample screening. For food commodities received from the US government, UN agencies or other institutional donors the organization accepts values provided by the donors.

The Organization does not sell donated gifts-in-kind. They are solely distributed for program use.

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Notes to Financial Statements

June 30, 2024

(With comparative information as of and for the year ended June 30, 2023)

**(m) Functional Expenses**

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on allocation factors determined by the management, primarily time and effort expended.

**(n) 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 disclosures of contingent assets and liabilities at 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.

**(o) Reclassifications**

Certain reclassifications have been made to prior year's amounts to conform to the current year's presentation.

**(p) Comparative Financial Information**

The accompanying financial statements include certain prior year summarized information. With respect to the financial statement of functional expenses, information from the prior year is presented in the aggregate, is not presented by function, and the financial statement of activities does not include balances for net assets without donor restrictions and net assets with donor restrictions. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

**(q) New Accounting Pronouncements**

The Financials Statement Accounting Board (FASB) issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. Topic 326 requires estimated credit losses to be determined for the expected life of the asset, as compared to an incurred loss model which was in effect for periods prior to 2023. The adoption of this standard by the organization had no impact to the financial statements.

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(With comparative information as of and for the year ended June 30, 2023)

**(3) Grants Receivable**

Grants receivable as of June 30, 2024 and 2023 consist of the following:

	<b>2024</b>	<b>2023</b>
U.S. Agency for International Development	\$ 12,016,527	7,614,994
U.S. Department of State	2,779,450	2,849,353
U.S. Department of Health and Human Services	34,646	238,440
Others	733,087	739,556
Total grants receivable	\$ 15,563,710	11,442,343

**(4) Equipment, Net**

A summary of the Organization's equipment as of June 30 is as follows:

	<b>2024</b>	<b>2023</b>
Machinery, computer hardware, and equipment	\$ 1,711,289	1,737,665
Leasehold improvements	366,891	366,891
Automobiles	13,502	13,502
Computer software	9,005,485	9,005,485
Furniture and fixtures	186,470	186,470
Total	11,283,637	11,310,013
Less accumulated depreciation and amortization	(10,034,529)	(9,369,063)
Total equipment, net	\$ 1,249,108	1,940,950

Depreciation and amortization expense totaled \$691,842 and \$746,833 for the years ended June 30, 2024 and 2023, respectively.

**(5) Employee Retirement Plans**

The organization sponsors a retirement plan under Internal Revenue Code Section 401(a) for employees who meet the eligibility conditions. This is referred to as the Employee Benefits Plan (the Plan).

All employees upon reaching 21 years of age are eligible to participate in the Plan after two years of eligible service. Pursuant to an eligibility requirement amendment, effective January 1, 2006, an employee's service in the nonprofit health and social services field within the three-year period immediately preceding the Organization employment is counted toward the two years of service requirement, provided the 1,000 hours of service requirement with such organization for each year of prior service has been met.

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June 30, 2024

(With comparative information as of and for the year ended June 30, 2023)

The Organization contributes 10.5% of eligible employee compensation, as defined in the plan document. Employees are immediately fully vested in contributions made on their behalf. Voluntary employee contributions are not permitted under the Plan. Contributions made by the Organization to the Plan totaled \$2,315,863 and \$2,030,699 for the years ended June 30, 2024 and 2023, respectively.

The International Retirement Plan design and eligibility requirements are the same as the Employee Benefits Plan. Contributions made by the Organization to the International Retirement Plan totaled \$2,310,159 and \$2,151,189 for the years ended June 30, 2024 and 2023, respectively.

**(6) Related-Party Transactions**

International Medical Corps is an independent affiliate organization of International Medical Corps UK (IMC UK), a registered charity in England and Wales. IMC UK shares the same charitable objectives and mission to relieve suffering, sickness, and poverty throughout the world by providing medical aid, healthcare training, and healthcare programs. On November 1, 2002, the Organization entered into an Administrative Services Agreement with IMC UK, to assist IMC UK in the achievement of its charitable objectives. The related-party transactions mainly pertain to service fees, recorded as a credit to other expense, cash advances, and other related charges. The Organization had a payable balance to IMC UK of \$397,924 and \$426,475, recorded as funds on deposit from affiliates in the statement of financial position for the years ended June 30, 2024 and 2023, respectively.

Amounts contributed to IMC UK during fiscal year 2024 and fiscal year 2023 totaled \$1,919,568 and \$324,849, respectively.

International Medical Corps is an independent affiliate organization of International Medical Corps Croatia (IMC Croatia), a registered association in the Republic of Croatia. IMC Croatia shares the same charitable objectives and mission to relieve suffering, sickness, and poverty throughout the world by providing medical aid, healthcare training, and healthcare programs. On July 1, 2019, the Organization entered into an Administrative Services Agreement with IMC Croatia to assist IMC Croatia in the achievement of its charitable objectives. The related-party transactions mainly pertain to service fees, recorded as a credit to other expense, cash advances, and other related charges. The Organization had a payable balance to IMC Croatia of \$9,929,758 and \$1,508,714, recorded as funds on deposit from affiliates in the statement of financial position for the years ended June 30, 2024 and 2023, respectively.

Amounts contributed to IMC Croatia during 2024 and 2023 totaled \$981,243 and \$3,144,955, respectively.

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**(7) Lease Liability**

The Organization has commitments related to operating leases for office and storage space. All operating leases are noncancelable and expire on various dates through 2029. Future minimum annual lease payments under these leases are as follows:

Year ending June 30:	
2025	\$ 1,212,297
2026	782,162
2027	492,173
2028	399,893
2029	<u>33,528</u>
Total minimum payments	<u>\$ 2,920,053</u>

Rent expense for all leases for the years ended June 30, 2024 and 2023 totaled \$5,750,278 and \$5,057,538, respectively.

The Organization recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. Lease assets and liabilities are recognized based on the present value of the lease payments over the lease term. Operating leases with a term of 12 months or less are not recorded in the statements of financial position. As of June 30, 2024, the Organization recorded ROU asset and related operating lease liability of \$2,028,970, and \$1,780,264, respectively. As of June 30, 2023, ROU asset and related operating lease liability totaled \$2,253,537 and \$2,213,280, respectively. Any prepaid and accrued lease payments, as well as any lease incentives have been accounted for in these amounts.

The Organization uses its incremental borrowing rate as the discount rate for its leases as this is the most practical expedient option. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. Because the Organization does not generally borrow on a collateralized basis, it uses the interest rate it pays on its noncollateralized borrowings as an input to deriving an appropriate incremental borrowing rate, adjusted for the amount of lease payments, the lease term, and the effect on that rate of designating specific collateral with a value equal to unpaid lease payments for that lease.

**(8) Commitments and Contingencies**

Grants require the fulfillment of certain conditions as set forth in the grant instruments. Federal grant programs are subject to review by the grantor agencies, which could result in requests for reimbursements to grantor agencies for disallowed expenditures. Additionally, the Organization is involved in legal proceedings and claims arising in the normal course of business. The Organization has established an accrual of \$1,600,000 as of June 30, 2024 and 2023 as the probable and reasonably estimable amount for contingent liabilities.

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While it is not possible to determine the ultimate liability in these matters at this time, in the opinion of management, such matters will not have a material adverse effect on the financial condition of the Organization in excess of the recorded contingent liability.

**(9) Concentrations of Risk**

Grants and contracts totaling \$178,742,869 and \$15,732,829 were received from the U.S. Agency for International Development and the U.S. Department of State, respectively, for the year ended June 30, 2024, which represents 76% and 7%, respectively, of total revenue. Grants and contracts totaling \$150,458,758 and \$15,641,184 were received from the U.S. Agency for International Development and the U.S. Department of State, respectively, for the year ended June 30, 2023, which represents 67% and 7%, respectively, of total revenue. Should these contribution levels decrease, the Organization may be adversely affected.

**(10) Net Assets with Donor Restrictions**

Net assets totaling \$44,178,794 and \$58,181,134 at June 30, 2024 and 2023 are restricted for relief programs in future periods, respectively.

	2024	2023
Africa	\$ 1,578,986	460,925
Asia	270,848	1,085,854
Europe	28,639,102	38,763,838
Global	1,787,627	3,885,643
Middle East	6,679,958	8,164,251
North/Central America and the Caribbean	1,573,917	1,950,412
Other (for example, emergency response and health)	3,648,356	3,870,211
Total net assets with donor restrictions	\$ 44,178,794	58,181,134

Net assets totaling \$750,000 at June 30, 2024 and 2023 are restricted in perpetuity to be used as revolving loan funds for emergency disaster relief intervention.

**(11) Line of Credit**

The Organization executed a bank revolving credit agreement (the Agreement) in September 2005, as amended, which allows borrowings of up to \$10,000,000, including a \$3,000,000 commercial letter of credit sublimit. Borrowings under the Agreement are based on SOFR (Secured Overnight Financing Rate) rates. The Agreement currently expires on July 1, 2026. There were no borrowings against the line of credit at June 30, 2024 and 2023.



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**(12) Investments**

Investments as of June 30, 2024 and 2023 consist of the following:

	Fair value	
	2024	2023
Domestic equities	\$ 7,025,543	5,568,409
Foreign equities	104,590	96,829
Total investments	\$ 7,130,133	5,665,238

Fair value is defined as the amount that would be exchanged for an asset or to transfer a liability between market participants in an orderly transaction.

A three-tier hierarchy, based upon observable and unobservable inputs, is used for fair value measurements. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available. The three levels of the fair value hierarchy are as follows:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the whole term of the assets or liabilities.
- Level 3 Prices or valuations that require inputs that are supported by little or no market activity and that are both significant to the fair value measurement and unobservable.

At June 30, 2024 and 2023, all of the Organization's investments in equity securities are classified as Level 1 investments.

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**(13) Availability and Liquidity**

The Organization regularly monitors liquidity required to meet its operating needs and other financial commitments. As part of its liquidity plan, excess cash is invested in short-term investments, primarily in interest bearing accounts and money market funds. The Organization has no outstanding debt as of June 30, 2024 and 2023. A \$10,000,000 line of credit is available to bridge temporary funding gaps and other unexpected obligations that may arise. It has not been necessary to use the line of credit in the past two years.

	<b>2024</b>	<b>2023</b>
Financial assets at year end:		
Cash and cash equivalents	\$ 103,821,495	108,950,867
Grants receivable	15,563,710	11,442,343
Other receivables	1,878,262	2,396,304
Investments	7,130,133	5,665,238
Total financial assets	128,393,600	128,454,752
Less refundable advances	113,598	5,060,752
Less net assets with donor restrictions	44,178,794	58,181,134
Total financial assets available for general expenditures	84,101,208	65,212,866
Line of credit	10,000,000	10,000,000
Total financial assets and other resources available for general expenditures within one year	\$ 94,101,208	75,212,866

**(14) Program Services**

Following a crisis, or in communities in need of health services, the Organization's goal is to meet community needs, strengthen local capacity, and promote resilience and overall wellbeing. The sectors in which the Organization works include the following:

	<b>2024</b>	<b>2023</b>
Building health capacity	\$ 28,873,687	42,536,885
Emergency response and preparedness	138,719,992	123,038,833
Mental health and psychosocial activities	6,110,781	2,971,345
Water, sanitation and nutrition	5,109,843	10,002,565
Women and children's health	35,700,503	26,346,199
Total program services	\$ 214,514,806	204,895,827

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**(15) Subsequent Events**

The Organization has performed an evaluation of subsequent events through December 18, 2024, which is the date the financial statements were available to be issued.