



INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL  
STUDENTS/USA, INC.

Financial Statements  
With Independent Auditors' Report

December 31, 2020 and 2019

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
International Fellowship of Evangelical Students/USA, Inc.  
Platteville, Wisconsin

We have audited the accompanying financial statements of International Fellowship of Evangelical Students/USA, Inc. which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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.

Board of Directors  
International Fellowship of Evangelical Students/USA, Inc.  
Platteville, Wisconsin

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Fellowship of Evangelical Students/USA, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Colorado Springs, Colorado  
March 9, 2021

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Statements of Financial Position**

	December 31,	
	2020	2019
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 1,406,356	\$ 1,686,269
Pledge receivable–net	864,607	-
Prepaid expenses and other assets	61	61
Investments	1,953,721	1,883,309
Property and equipment–net	1,405	3,363
Total Assets	\$ 4,226,150	\$ 3,573,002
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 10,545	\$ 5,722
Refundable advance	497,928	-
Funds held for affiliated organization	413,670	410,338
Contribution payable to affiliated organization	429,418	1,147,249
	1,351,561	1,563,309
Net assets:		
Without donor restrictions	635,845	641,902
With donor restrictions	2,238,744	1,367,791
	2,874,589	2,009,693
Total Liabilities and Net Assets	\$ 4,226,150	\$ 3,573,002

See notes to financial statements

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Statements of Activities**

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions and grant income	\$ 82,189	\$ 4,115,137	\$ 4,197,326	\$ 181,444	\$ 5,761,443	\$ 5,942,887
Investment income-net	29,293	61,026	90,319	40,839	58,983	99,822
Other income	2,375	-	2,375	3,106	-	3,106
<b>Total Support and Revenue</b>	<b>113,857</b>	<b>4,176,163</b>	<b>4,290,020</b>	<b>225,389</b>	<b>5,820,426</b>	<b>6,045,815</b>
<b>NET ASSETS RELEASED:</b>						
Purpose restrictions	2,931,598	(2,931,598)	-	4,707,872	(4,707,872)	-
Administrative assessments	373,612	(373,612)	-	538,263	(538,263)	-
	<b>3,305,210</b>	<b>(3,305,210)</b>	<b>-</b>	<b>5,246,135</b>	<b>(5,246,135)</b>	<b>-</b>
<b>EXPENSES:</b>						
Program services	2,815,456	-	2,815,456	4,689,561	-	4,689,561
Supporting activities:						
General and administrative	421,403	-	421,403	436,888	-	436,888
Fund-raising	188,265	-	188,265	235,120	-	235,120
	<b>609,668</b>	<b>-</b>	<b>609,668</b>	<b>672,008</b>	<b>-</b>	<b>672,008</b>
<b>Total Expenses</b>	<b>3,425,124</b>	<b>-</b>	<b>3,425,124</b>	<b>5,361,569</b>	<b>-</b>	<b>5,361,569</b>
Change in Net Assets	(6,057)	870,953	864,896	109,955	574,291	684,246
Net Assets, Beginning of Year	641,902	1,367,791	2,009,693	531,947	793,500	1,325,447
Net Assets, End of Year	<u>\$ 635,845</u>	<u>\$ 2,238,744</u>	<u>\$ 2,874,589</u>	<u>\$ 641,902</u>	<u>\$ 1,367,791</u>	<u>\$ 2,009,693</u>

See notes to financial statements

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Statements of Cash Flows**

	Year Ended December 31,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 864,896	\$ 684,246
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	1,389	1,657
Realized and unrealized gain on investments	(63,118)	(68,948)
Reinvested interest and dividends	(27,881)	(31,119)
Loss on sale of property and equipment	90	-
Paycheck Protection Program loan forgiveness	(78,000)	-
Change in operating assets and liabilities:		
Pledge receivable—net	(864,607)	-
Accounts payable	4,823	(540)
Refundable advance	497,928	-
Contribution payable to affiliated organization	(717,831)	114,309
Change in funds held for affiliated organization	3,332	(90,471)
Net Cash Provided (Used) by Operating Activities	(378,979)	609,134
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of property and equipment	479	-
Purchases of investments	(400,135)	(561,290)
Proceeds from sale of investments	420,722	269,216
Net Cash Provided (Used) by Investing Activities	21,066	(292,074)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from Paycheck Protection Program loan	78,000	-
Net Cash Provided by Financing Activities	78,000	-
Net Change in Cash and Cash Equivalents	(279,913)	317,060
Cash and Cash Equivalents, Beginning of Year	1,686,269	1,369,209
Cash and Cash Equivalents, End of Year	\$ 1,406,356	\$ 1,686,269
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Non-cash financing transaction to recognize paycheck protection program loan	\$ 78,000	\$ -

See notes to financial statements

# INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS/USA, INC.

## Notes to Financial Statements

December 31, 2020 and 2019

### 1. NATURE OF ORGANIZATION:

International Fellowship of Evangelical Students/USA, Inc. (IFES/USA) exists to build students into communities of disciples, which are transformed by the Gospel. IFES/USA seeks to impact the university, the church, and society for the glory of Christ, introducing students to the Gospel of Christ, while engaging the broader higher education community in dialogue about the relevance of the Gospel message and the Christian life as a whole. IFES/USA also exists to support, encourage, and facilitate the spread and growth of the Christian faith throughout the world and to support other organizations, projects, and initiatives that are organized and operated for similar purposes. This includes granting funds to foreign organizations, projects and institutions with purposes similar to those of the IFES/USA for specific projects in furtherance of IFES/USA's Christian religious tax-exempt purposes.

IFES/USA works closely with a number of affiliated organizations, including InterVarsity Christian Fellowship/USA (InterVarsity), Union Internationale des Groupe Bibliques (IFES Switzerland), and International Fellowship of Evangelical Students, a UK charity (IFES/UK). These organizations are legally separate from IFES/USA, and each organization is governed by independent boards of directors. Therefore, the assets, liabilities, net assets, and results of their activities have not been included in this report.

IFES/USA is a nonprofit organization incorporated in the state of Wisconsin and is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) and comparable state law(s). However, IFES/USA is subject to federal income tax on any unrelated business taxable income. In addition IFES/USA is not classified as a private foundation under Section 509(a) of the Code.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

IFES/USA maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include checking, savings, and interest-bearing money market accounts. IFES/USA maintains its cash in bank and other deposit accounts at high credit quality financial institutions. As of December 31, 2020 and 2019, cash balances on deposit exceeded federally insured limits by approximately \$584,000 and \$868,000, respectively. IFES/USA has not experienced any losses in such accounts, and it believes it is not exposed to any significant credit risk on cash and cash equivalents.



# INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS/USA, INC.

## Notes to Financial Statements

December 31, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### PLEDGE RECEIVABLE–NET

The pledge receivable is recognized as revenue when unconditionally promised. The pledge receivable expected to be collected within one year is recorded at net realizable value. The pledge receivable expected to be collected in future years is recorded at the present value of their estimated future cash flows. The discounts on amounts collectible in greater than one year are computed using risk-adjusted interest rates applicable to the year in which pledge is expected to be received. Management has reviewed the collectability and believes all amounts to be fully collectible.

#### INVESTMENTS

Investments consist of mutual funds and certificates of deposit with an original maturity date greater than ninety days. Mutual funds are recorded at fair value based on quoted prices in active markets for identical assets, which is Level 1 of the fair value hierarchy established under the Fair Value Measurements topic of the FASB Codification. Certificates of deposits are recorded at cost plus accrued interest. Gains and losses are reported within investment income on the statements of activities. Investment return is reported net of external and direct internal expenses.

#### PROPERTY AND EQUIPMENT–NET

Items capitalized as property and equipment are capitalized at cost. Donated items are recorded at their fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives, which range from three to five years of the related assets. IFES/USA capitalizes fixed asset purchases exceeding \$2,500 with lesser amounts expensed in the year purchased.

#### REFUNDABLE ADVANCE

As of December 31, 2020, the refundable advance consists of amounts received under a grant agreement. As the conditions within the agreement have not been met as of fiscal year end, the amounts are not yet recognized as revenue. Upon IFES/USA meeting the conditions of the grant, the refundable advance will be recognized as contributions and grant income.

#### FUNDS HELD FOR AFFILIATED ORGANIZATION

During the year ended December 31, 2020 and 2019, IFES/USA agreed to hold and invest funds on behalf of IFES/UK.

#### CONTRIBUTION PAYABLE TO AFFILIATED ORGANIZATION

Each year, the governing board of IFES/USA approves grants to IFES/UK, contingent that funds are available. The contribution payable to affiliated organization represents donations received in December designated for projects which IFES/UK administrates, as the board has already pre-approved the grant. Subsequent to year end the contribution payable was paid in full.

# INTERNATIONAL FELLOWSHIP OF EVANGELICAL STUDENTS/USA, INC.

## Notes to Financial Statements

December 31, 2020 and 2019

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CLASSES OF NET ASSETS

The financial statements report amounts by class of net assets:

*Net assets without donor restrictions* include resources that are available for current operations under direction of the board or resources invested in property and equipment.

*Net assets with donor restrictions* are comprised of donor-restricted contributions for specific operating purposes, support of projects and worldwide ministry training, or are time-restricted.

#### SUPPORT, REVENUE, AND EXPENSES

Contributions are recorded when made, which may be when cash and other assets are received or unconditionally promised. Gifts of cash and other assets are reported with a donor restriction if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Expenses are recorded when incurred.

#### ADMINISTRATIVE ASSESSMENTS

In an effort to cover overhead costs, IFES/USA charges an administrative assessment of 10% for specific designations, and 25% for gifts for broader ministry activity.

### 3. RISKS AND UNCERTAINTIES:

IFES/USA's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on IFES/USA's financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption to IFES/USA's contribution revenue, absenteeism in workforce, and a decline in value of assets held. The financial impact cannot be estimated at this time.

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Notes to Financial Statements**

December 31, 2020 and 2019

4. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following table reflects the IFES/USA's financial assets as of December 31, 2020 and 2019, reduced by amounts not available for general use within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the governing board has set aside funds. IFES/USA's policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

	December 31,	
	2020	2019
Financial assets, at year-end:		
Cash and cash equivalents	\$ 1,406,356	\$ 1,686,269
Pledge receivable–net	864,607	-
Investments	1,953,721	1,883,309
	4,224,684	3,569,578
Less those unavailable for general expenditure within one year, due to:		
Cash and other financial assets held for affiliate	(413,670)	(410,338)
Net assets with time-restrictions for greater than one year	(931,251)	(189,533)
Net assets with donor restrictions not expected to be used within one year	(1,077,562)	(1,041,112)
	(1,077,562)	(1,041,112)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,802,201	\$ 1,928,595

IFES/USA's policy is to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Notes to Financial Statements**

December 31, 2020 and 2019

5. PLEDGE RECEIVABLE–NET:

Pledge receivable–net, as of December 31, 2020, consists of:

Unconditional pledge receivable	\$ 900,000
Less discount for present value of cash flows	(35,393)
	\$ 864,607
	\$ 864,607

Estimated collections as of December 31, 2020, consist of:

Less than one year	\$ 100,000
One to five years	484,154
Over five years	280,453
	\$ 864,607
	\$ 864,607

6. INVESTMENTS:

Investments consist of:

	December 31,	
	2020	2019
Certificates of deposit	\$ 1,356,068	\$ 1,362,359
Mutual funds	597,653	520,950
	\$ 1,953,721	\$ 1,883,309
	\$ 1,953,721	\$ 1,883,309

Investment income–net consists of:

	Year Ended December 31,	
	2020	2019
Interest and dividends	\$ 27,881	\$ 31,119
Net realized and unrealized gains	63,118	68,948
	90,999	100,067
Less external and direct internal expenses	(680)	(245)
	\$ 90,319	\$ 99,822
	\$ 90,319	\$ 99,822

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Notes to Financial Statements**

December 31, 2020 and 2019

7. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net, consist of:

	December 31,	
	2020	2019
Leasehold improvements	\$ 10,000	\$ 10,000
Equipment	6,024	8,280
	16,024	18,280
Less accumulated depreciation	(14,619)	(14,917)
	\$ 1,405	\$ 3,363

8. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various program services and supporting activities of IFES/USA have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. These expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries and benefits, travel and meetings, publications and events, office supplies and other expenses. Salaries and benefits are allocated based on average estimates of time and effort by employees. Travel and meetings, publications and events, office supplies and other expenses are allocated based on estimates of department time and costs utilized. The following tables present the functional allocation of expenses for the years ended December 31, 2020 and 2019.

	For the Year Ended December 31, 2020			
	Program Services	General and Administrative	Fund-raising	Total
Grants	\$ 2,731,159	\$ -	\$ -	\$ 2,731,159
Salaries and benefits	70,646	320,220	164,639	555,505
Office and other	221	74,962	4,819	80,002
Publications and events	12,418	7,173	7,728	27,319
Travel and meetings	987	7,722	9,772	18,481
Professional services	25	11,326	1,307	12,658
	\$ 2,815,456	\$ 421,403	\$ 188,265	\$ 3,425,124

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Notes to Financial Statements**

December 31, 2020 and 2019

8. FUNCTIONAL ALLOCATION OF EXPENSES, continued:

	For the Year Ended December 31, 2019			
	Program Services	General and Administrative	Fund-raising	Total
Grants	\$ 4,565,400	\$ -	\$ -	\$ 4,565,400
Salaries and benefits	61,379	327,620	194,046	583,045
Office and other	3,992	75,276	4,198	83,466
Publications and events	26,215	5,847	13,424	45,486
Travel and meetings	11,645	12,226	23,087	46,958
Professional services	20,930	15,919	365	37,214
	\$ 4,689,561	\$ 436,888	\$ 235,120	\$ 5,361,569

9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of:

	December 31,	
	2020	2019
Worldwide ministry training and training events	\$ 1,146,709	\$ 1,074,648
Time restricted	1,054,140	213,225
Projects	37,895	79,918
	\$ 2,238,744	\$ 1,367,791

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Notes to Financial Statements**

December 31, 2020 and 2019

**10. FAIR VALUE MEASUREMENTS:**

IFES/USA uses appropriate valuation techniques to determine fair value based on inputs available. All investments held at fair value as of December 31, 2020 and 2019 were measured using Level 1 inputs. The following table displays the fair values of assets measured on a recurring basis:

	December 31,	
	2020	2019
Investments held at fair value:		
Mutual funds:		
Blended funds	\$ 332,728	\$ 245,941
Fixed income funds	264,925	275,009
	597,653	520,950
Investments held at other than fair value:		
Certificates of deposit	1,356,068	1,362,359
Total investments	\$ 1,953,721	\$ 1,883,309

**11. RETIREMENT PLAN:**

IFES/USA sponsors a 403(b) defined contribution plan for all employees. IFES/USA provides a direct contribution of 5% as well as a matching contribution of up to 5% of eligible salary for all employees who are over the age of 21 and have worked at least six months. Total employer contributions for the years ended December 31, 2020 and 2019, were \$41,795 and \$46,836 respectively.

**12. AFFILIATE AGREEMENT:**

During the years ended December 31, 2020 and 2019, the following financial activity occurred between IFES/USA and IFES/UK:

- IFES/USA granted IFES/UK \$2,731,159 and \$4,565,400, respectively.
- IFES/USA reimbursed IFES/UK \$1,476 and \$116,091, for costs IFES/UK incurred on IFES/USA's behalf, respectively.
- IFES/UK reimbursed IFES/USA \$5,454 and \$36,718, for costs IFES/USA incurred on IFES/UK's behalf, respectively.
- IFES/USA has recorded a \$429,418 and \$1,147,249 contribution payable to IFES/UK. See Note 2 for more information.
- IFES/USA is holding \$413,670 and \$410,338 on IFES/UK's behalf, respectively. See Note 2 for more information.

**INTERNATIONAL FELLOWSHIP  
OF EVANGELICAL STUDENTS/USA, INC.**

**Notes to Financial Statements**

December 31, 2020 and 2019

13. PAYCHECK PROTECTION PROGRAM LOAN:

In April 2020, due to the coronavirus pandemic, IFES/USA obtained a Paycheck Protection Program (PPP) loan in the amount of \$78,000. The loan is fully forgivable provided IFES/USA meets certain spending and employment thresholds. IFES/USA received notification by the Small Business Administration of full forgiveness during the year ended December 31, 2020. The PPP loan proceeds are included within contributions and grant income with donor restrictions on the statements of activities.

14. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 9, 2021, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.