

INDIA RURAL  
EVANGELICAL FELLOWSHIP, INC.  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.  
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Jeffrey W. Krol & Associates, Ltd.  
8700 W. Bryn Mawr Avenue  
Suite 810 North  
Chicago, IL 60631-3568  
P 773.399.1390 F 773.399.1223  
www.jwkrol.com

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
India Rural Evangelical Fellowship, Inc.  
Park Ridge, Illinois

We have audited the accompanying financial statements of India Rural Evangelical Fellowship, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, 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.

### **Auditor's 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of India Rural Evangelical Fellowship, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Jeffrey W. Krol & Associates, Ltd.*  
Jeffrey W. Krol & Associates, Ltd.

Chicago, Illinois  
November 13, 2019

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018 AND 2017

Assets		2018	2017
<b><u>Current Assets:</u></b>		_____	_____
Cash and cash equivalents	\$	823,280	\$ 1,120,872
Investments		-	19,392
<b>Total Current Assets</b>		<b>823,280</b>	<b>1,140,264</b>
<b>Total Assets</b>	<b>\$</b>	<b>823,280</b>	<b>\$ 1,140,264</b>
Liabilities and Net Assets			
<b><u>Current Liabilities:</u></b>			
Accrued expenses	\$	1,844	\$ 7,534
Credit cards payable		3,214	382
Due to employee		-	400
<b>Total Current Liabilities</b>		<b>5,058</b>	<b>8,316</b>
<b>Total Liabilities</b>		<b>5,058</b>	<b>8,316</b>
<b><u>Net Assets:</u></b>			
Without donor restrictions		657,876	945,076
With donor restrictions		160,346	186,872
<b>Total Net Assets</b>		<b>818,222</b>	<b>1,131,948</b>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>823,280</b>	<b>\$ 1,140,264</b>

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>Revenues, Gains and Other Support:</u></b>			
Contributions	\$ 434,325	\$ 183,195	\$ 617,520
Special event revenue	18,884	-	18,884
Less: Cost of direct benefits to donors	(5,253)	-	(5,253)
Net Special event revenue	13,631	-	13,631
Interest income	601	-	601
Realized loss on sale of stock	(3,693)	-	(3,693)
Net assets released from restrictions	209,721	(209,721)	-
<b>Total Revenues, Gains and Other Support</b>	<b>654,585</b>	<b>(26,526)</b>	<b>628,059</b>
<b><u>Expenses:</u></b>			
<b>Program Services:</b>			
Capital projects	23,950	-	23,950
Crusades	140,322	-	140,322
Evangelical and local churches	162,515	-	162,515
Child Care and School	442,246	-	442,246
Other	35,938	-	35,938
<b>Total Program Services</b>	<b>804,971</b>	-	<b>804,971</b>
<b>Support Services</b>			
Management and general	54,637	-	54,637
Fundraising	82,177	-	82,177
<b>Total Support Services</b>	<b>136,814</b>	-	<b>136,814</b>
<b>Total Expenses</b>	<b>941,785</b>	-	<b>941,785</b>
<b>Change in Net Assets</b>	<b>(287,200)</b>	<b>(26,526)</b>	<b>(313,726)</b>
<b>Net Assets, Beginning of Year</b>	<b>945,076</b>	<b>186,872</b>	<b>1,131,948</b>
<b>Net Assets, End of Year</b>	<b>\$ 657,876</b>	<b>\$ 160,346</b>	<b>\$ 818,222</b>

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	Without Donor Restrictions	With Donor Restrictions	Total
<b><u>Revenues, Gains and Other Support:</u></b>			
Contributions	\$ 491,270	\$ 290,224	\$ 781,494
In-kind contributions	20,360	-	20,360
Special event revenue	19,853	-	19,853
Less: Cost of direct benefits to donors	(11,613)	-	(11,613)
Net Special event revenue	8,240	-	8,240
Interest Income and investment income	764	-	764
Net assets released from restrictions	530,478	(530,478)	-
<b>Total Revenues, Gains and Other Support</b>	<b>1,051,112</b>	<b>(240,254)</b>	<b>810,858</b>
<b><u>Expenses:</u></b>			
<b>Program Services:</b>			
Capital projects	147,000	-	147,000
Crusades	329,120	-	329,120
Evangelical and local churches	96,900	-	96,900
Child Care and School	150,470	-	150,470
Other	27,343	-	27,343
<b>Total Program Services</b>	<b>750,833</b>	-	<b>750,833</b>
<b>Support Services</b>			
Management and general	68,875	-	68,875
Fundraising	67,078	-	67,078
<b>Total Support Services</b>	<b>135,953</b>	-	<b>135,953</b>
<b>Total Expenses</b>	<b>886,786</b>	-	<b>886,786</b>
<b>Change in Net Assets</b>	<b>164,326</b>	<b>(240,254)</b>	<b>(75,928)</b>
<b>Net Assets, Beginning of Year</b>	<b>780,750</b>	<b>427,126</b>	<b>1,207,876</b>
<b>Net Assets, End of Year</b>	<b>\$ 945,076</b>	<b>\$ 186,872</b>	<b>\$ 1,131,948</b>

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	PROGRAM SERVICES					SUPPORT SERVICES			Total Expenses	
	Capital Projects	Crusades	Evangelical and Local Churches	Child Care and School	Other	Total Program Services	Management and General	Fundraising		Total Support Services
Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,800	\$ -	\$ 6,800	\$ 6,800
Association dues	-	-	-	-	-	-	950	-	950	950
Bank charges	-	-	-	-	-	-	2,642	-	2,642	2,642
Fundraising	-	-	-	-	-	-	-	28,823	28,823	28,823
Insurance	-	-	-	-	-	-	897	-	897	897
Miscellaneous	-	-	-	-	-	-	20	-	20	20
Office supplies	-	-	-	-	-	-	1,289	-	1,289	1,289
Postage	-	-	-	-	-	-	-	-	-	-
Program expenses	23,950	140,322	139,200	418,931	35,938	758,341	-	-	-	758,341
Salaries, payroll taxes and other compensation	-	-	23,315	23,315	-	46,630	41,513	53,354	94,867	141,497
Telephone	-	-	-	-	-	-	88	-	88	88
Travel	-	-	-	-	-	-	438	-	438	438
	\$ 23,950	\$ 140,322	\$ 162,515	\$ 442,246	\$ 35,938	\$ 804,971	\$ 54,637	\$ 82,177	\$ 136,814	\$ 941,785



INDIA RURAL EVANGELICAL FELLOWSHIP, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	PROGRAM SERVICES					SUPPORT SERVICES			Total Expenses
	Capital Projects	Crusades	Evangelical and Local Churches	Child Care and School	Other	Management and General	Fundraising	Total Support Services	
Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,815	\$ -	6,815	\$ 6,815
Association dues	-	-	-	-	-	1,161	-	1,161	1,161
Bank charges	-	-	-	-	-	1,967	-	1,967	1,967
Fundraising	-	-	-	-	-	-	24,371	24,371	24,371
Insurance	-	-	-	-	-	(211)	-	(211)	(211)
Miscellaneous	-	-	-	-	-	416	-	416	416
Office supplies	-	-	-	-	-	15,213	-	15,213	15,213
Postage	-	-	-	-	-	-	-	-	-
Program expenses	147,000	329,120	80,000	133,570	27,343	-	-	-	717,033
Salaries, payroll taxes and other compensation	-	-	16,900	16,900	-	42,707	42,707	85,414	119,214
Telephone	-	-	-	-	-	447	-	447	447
Travel	-	-	-	-	-	360	-	360	360
	\$ 147,000	\$ 329,120	\$ 96,900	\$ 150,470	\$ 27,343	\$ 68,875	\$ 67,078	\$ 135,953	\$ 886,786

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.  
STATEMENTS OF CASH FLOW  
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	2018	2017
<b><u>Cash Flows From Operating Activities:</u></b>		
Cash received from donors	\$ 597,375	\$ 762,102
Special Events:		
Cash received for special events	18,884	19,853
Cash paid for special events	(5,253)	(7,612)
Net cash - special events	13,631	12,241
Cash received (paid) on behalf of employee (net)	(400)	200
Interest income	601	764
Cash paid to India	(728,638)	(763,446)
Cash paid to other program services	(58,065)	(38,555)
Cash paid for support and fundraising	(157,940)	(132,301)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(333,436)</b>	<b>(158,995)</b>
<b><u>Cash Flows From Investing Activities:</u></b>		
Proceeds from sale of investments	35,844	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>35,844</b>	<b>-</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(297,592)</b>	<b>(158,995)</b>
<b>Cash at Beginning of Year</b>	<b>1,120,872</b>	<b>1,279,867</b>
<b>Cash at End of Year</b>	<b>\$ 823,280</b>	<b>\$ 1,120,872</b>
<b>Reconciliation of Changes in Net Assets to Net Cash from Operating Activities:</b>		
Change in Net Assets	\$ (313,726)	\$ (75,928)
<b>Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:</b>		
Noncash contributions of investments	(20,144)	(19,392)
Realized loss on investments	3,692	-
<b>Change in assets and liabilities:</b>		
Due to Employee	(400)	200
Due to India	-	(70,533)
Credit card payable	2,832	(175)
Accrued expenses	(5,690)	6,833
<b>Net Cash Provided By (Used) by Operating Activities</b>	<b>\$ (333,436)</b>	<b>\$ (158,995)</b>

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

NOTE 1. Description of Organization

India Rural Evangelical Fellowship, Inc. (IREF/US) was founded on August 21, 1984 to promote, with the help of God, the gospel message of Christianity within the state of Andhra Pradesh, South India; to print and publish Christian literature; to promote and maintain individual churches, until they are able to stand alone; to establish and maintain homes for underprivileged and destitute children; to provide financial assistance in supporting medical services for the rural poor; and to encourage human development through the creation of self-help projects. India Rural Evangelical Fellowship/India (IREF/India) is the parent organization. IREF/US is a fundraising affiliate ministry.

NOTE 2. Significant Accounting Policies

The financial statements have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the Statements of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statements of Activities.

The financial statements of IREF/US have been prepared in accordance with U.S generally accepted accounting principles ("US GAAP") which require IREF/US to report information regarding its financial position and activities according to the following net asset classifications:

*Net Assets without Donor Restrictions* – Net assets not subject to donor-imposed stipulations which may be used for general operations.

Included in Net Assets without Donor Restrictions are Management Designated net assets for which management, rather than a donor, has designated net assets to be reserved for future designated purposes.

*Net Assets with Donor Restrictions* – Net assets that are restricted either as to purpose or as to time of expenditure. This includes net assets subject to donor-imposed stipulations that must be maintained permanently by IREF/US.

Revenues are reported as increases in Net Assets without Donor Restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in Net Assets without Donor Restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in Net Assets without Donor Restrictions

INDIA RURAL EVANGELICAL FELLOWSHIP, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

NOTE 2. Significant Accounting Policies (continued)

Financial Statement Presentation (continued)

unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Contributions

Contributions that are restricted by the donor are reported as increases in Net Assets without Donor Restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in Net Assets with Donor Restrictions. When a restriction expires, Net Assets with Donor Restrictions are reclassified to Net Assets without Donor Restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts. The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments and Fair Value Measurements

The Organization applies the U.S. GAAP authoritative guidance for *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and requires certain disclosures about fair value measurements.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity, are significant to the fair value of the assets or liabilities.

Valuation techniques used in fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its

INDIA RURAL EVANGELICAL FELLOWSHIP, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

NOTE 2. Significant Accounting Policies (continued)

Investments and Fair Value Measurements (continued)

valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date. There have been no changes in the methodologies used during the years ended December 31, 2018 and 2017.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated Services, Property and Equipment

Donated services are recognized as contributions if the services: (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by IREF/US. IREF/US recognized contributions of \$-0- and \$20,360 for services donated by volunteers in carrying out its mission for the years ended December 31, 2018 and December 31, 2017 respectively. Such amount has been reported as in-kind contributions in the accompanying financial statements.

Additionally, IREF/US receives services donated by volunteers in carrying out its mission. No amounts have been recognized for these services in the accompanying statement of activities because the criteria for recognition of such volunteer efforts as contributed services have not been satisfied.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as without donor restrictions support unless the donor has restricted the donated asset to a specified purpose. Assets donated with explicit restrictions regarding use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, IREF/US reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. IREF/US reclassifies Net Assets with Donor restrictions to Net Assets without Donor Restrictions at that time.

Property and Equipment

Expenditures for equipment in excess of \$500 are capitalized at cost. Depreciation of equipment is computed on the straight-line method over the estimated useful lives of the assets.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

NOTE 2. Significant Accounting Policies (continued).

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Expenses which are easily and directly associated with a particular program or supporting service are allocated directly to that functional category. Certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated are personnel expenses, which are allocated on the basis of estimates of time and effort.

New Accounting Pronouncement

On August 18, 2016, the FASB issued ASU 2016-14, which significantly changed the presentation requirements for financial statements of not-for-profit entities. The amendments are intended to improve the guidance on net asset classification as well as the information presented in the financial statements and financial statement notes regarding liquidity, financial performance, and cash flows. Specifically, the update addresses the complexity and understandability of net asset classifications, the lack of consistency in the type of information provided about expenses, and inconsistencies in the reporting of operating information in the statement of activities and operating cash flows in the statement of cash flows. IREF/US has adjusted the presentation of financial statements to reflect the new requirements, which have been applied retrospectively to all periods presented. The new standard changes the following aspects of IREF/US's financial statements:

The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called *Net Assets with Donor Restrictions*.

The unrestricted net asset class has been renamed *Net Assets without Donor Restrictions*.

The financial statements include a new disclosure about liquidity and availability of resources (Note 3)

The changes have the following effect on net assets at December 31, 2017

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 945,076	
Temporarily restricted net assets	186,872	
Net assets without donor restrictions		\$ 945,076
Net assets with donor restrictions		186,872
Total net assets	<u>\$ 1,131,948</u>	<u>\$ 1,131,948</u>

INDIA RURAL EVANGELICAL FELLOWSHIP, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

NOTE 3. Liquidity and Availability

The Organization has a policy to manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial stability, maintaining adequate liquidity to fund near-term operations, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The following table reflects the Organization's financial assets (cash and cash equivalents and investments) as of December 31, 2018 and 2017, reduced by amounts not available for general expenditures within one year.

The Organization's financial assets available within one year of the balance sheet date to fund general expenditures are as follows:

	2018	2017
Financial assets at year end:		
Cash and cash equivalents	\$ 823,280	\$ 1,120,872
Investments	-	19,392
Total financial assets	823,280	1,140,264
Less: Amounts not available to be used within one year:		
Total Net Assets with Donor Restrictions	160,346	186,872
Amounts not available to be used within one year	160,346	186,872
Financial assets available to meet general expenditures for next 12 months	\$ 662,934	\$ 953,392

NOTE 4. Investments

Investments at fair value and cost at December 31 were as follows:

	2018		2017	
	Cost	Fair Value	Cost	Fair Value
Common stock	\$ -	\$ -	\$ 19,392	\$ 19,392
	\$ -	\$ -	\$ 19,392	\$ 19,392

The fair value of common stock is based on quoted market prices in active markets.

Investments consist of stock donations. The policy of the organization is to liquidate donated securities as soon as reasonably possible.

Net realized loss on investment was \$3,693 for the period year ended December 31, 2018.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2018 AND 2017

NOTE 4. Investments (continued)

The underlying investments in common stock are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain common stocks, and the level of uncertainty related to changes in the value of the common stock, it is at least reasonably possible that changes in risks in the near term could materially affect account balances and the amounts reported in the statement of financial position and the statement of activities. The following table summarizes assets which have been accounted for at fair value on a recurring basis as of December 31, 2017 along with the basis for the determination of fair value:

	Total	Level 1	Level 2	Level 3
Common stock	\$ 19,392	\$ 19,392	\$ -	\$ -
	\$ 19,392	\$ 19,392	\$ -	\$ -

NOTE 5. Intentions to Give

The Organization communicates with donors through a monthly newsletter. The newsletters communicate the various needs of the ministry and solicit donors for their support. Donors who are interested in supporting the ministry are provided with mailing envelopes, which allow the donor to specify how their contributions are to be applied towards various needs of the ministry. Since there are no pledges or promises to give, there is no revenue recognition. Revenue is not recorded in the statement of activities until the contributions are received.

NOTE 6. Restrictions of Net Assets

Net assets with donor restrictions are available for:

	December 31,	
	2018	2017
Various program services	\$ 63,711	\$ 129,042
Capital projects	96,635	57,830
	\$ 160,346	\$ 186,872

NOTE 8. Fair Values of Financial Instruments

Cash and cash equivalents reported in the statement of financial position approximate fair values because of the short maturities of these investments or instruments.



INDIA RURAL EVANGELICAL FELLOWSHIP, INC  
NOTES TO FINANCIAL STATEMENTS  
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NOTE 9. Allocation of Joint Costs of Salary and Other Compensation

In 2018, the Organization incurred joint costs of \$141,497 for salary and other compensation that included fundraising appeals. Of those costs, an estimated \$46,630 was allocated to program services, \$41,513 was allocated to management and general expense and \$53,354 was allocated to fundraising.

In 2017, the Organization incurred joint costs of \$119,214 for salary and other compensation that included fundraising appeals. Of those costs, an estimated \$33,800 was allocated to program services, \$42,707 was allocated to management and general expense and \$42,707 was allocated to fundraising.

NOTE 10. Tax Status

The Organization is exempt from income tax under Section 501(C)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly supported Organization which is not a private foundation under Section 509(a)(1) of the Code.

No provisions for income taxes are required for the years ended December 31, 2018 and 2017 as the Organization had no unrelated business income. The Organization has no uncertain tax positions for the year ended December 31, 2018.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2015, 2016, and 2017 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 11. Concentrations of Credit Risk

The organization maintains its cash balance in a financial institution which, at times, may exceed federally insured limits. The Organization has not experienced any losses in the account and believes it is not exposed to any significant credit risk on cash.

NOTE 12. Concentrations of Contributions

Contributions in the amount of \$632,711 and \$821,707 were received during the fiscal years ended December 31, 2018 and 2017, respectively. Of the amount received, the largest three donors contributed approximately \$211,210 (33%) and \$378,331 (46%) during the fiscal years ended December 31, 2018 and 2017, respectively. Various churches, organizations and individuals contributed the balance.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

NOTE 13. Related Party

The Organization has two affiliated organization, IREF/India and IREF/UK. IREF/India is the parent organization and IREF/US is the US fundraising affiliate and IREF/UK is the United Kingdom fundraising affiliate. Except for funds needed to operate IREF/US, all monies donated to IREF/US (although not required) are sent to IREF/India as needed, with the appropriate designations. Transfers in the amount of \$728,638 and \$763,446 for the years ended December 31, 2018 and 2017, respectively, have been sent to IREF/India. There were no monetary transactions between IREF/US and IREF/UK.

The organization received contributions from board members totaling \$40,493 and \$75,320 for the years ended December 31, 2018 and 2017, respectively.

Additional transactions with related parties are the payment of salary and housing reimbursement to the IREF president and salary/independent contractor expense to two employees who are related to board members. The amount of these transactions totals \$91,500 and \$48,200 for the years ended December 31, 2018 and 2017, respectively.

NOTE 14. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through November 13, 2019, the date which the financial statements were available to be issued.

NOTE 15. Reclassifications

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