

INDIA RURAL
EVANGELICAL FELLOWSHIP, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.
TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT.....	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities.....	4-5
Statements of Functional Expenses.....	6-7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9-16

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of India Rural Evangelical Fellowship, Inc. 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 accounting principles generally accepted in the United States of America, 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 India Rural Evangelical Fellowship, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted 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 generally accepted 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 India Rural Evangelical Fellowship, Inc.'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 India Rural Evangelical Fellowship, Inc.'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.

Jeffrey W. Krol & Associates, Ltd.

Jeffrey W. Krol & Associates, Ltd.

Chicago, Illinois

November 14, 2024

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2023 AND 2022

Assets

	2023	2022
<u>Assets:</u>		
Cash and cash equivalents	\$ 389,455	\$ 568,446
Total Assets	\$ 389,455	\$ 568,446

Liabilities and Net Assets

<u>Liabilities:</u>		
Accrued expenses	\$ 12,599	\$ 28,074
Credit cards payable	19,822	9,218
Total Liabilities	32,421	37,292
 <u>Net Assets:</u>		
Without donor restrictions	261,428	476,283
With donor restrictions	95,606	54,871
Total Net Assets	357,034	531,154
Total Liabilities and Net Assets	\$ 389,455	\$ 568,446

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Operating Revenue and Support:</u>			
Contributions	\$ 529,823	\$ 233,346	\$ 763,169
In-kind contributions	7,200	-	7,200
Special events revenue	236,560	-	236,560
Special events - in-kind	120,000	-	120,000
Less: cost of special events	(150,483)	-	(150,483)
Net special events revenue	206,077	-	206,077
Net assets released from restrictions	192,611	(192,611)	-
Total Operating Revenue and Support	935,711	40,735	976,446
<u>Operating Expenses:</u>			
Program Services			
Capital projects	51,310	-	51,310
Crusades	63,297	-	63,297
Evangelical and local churches	186,523	-	186,523
Child care and school	596,598	-	596,598
Total Program Services	897,728	-	897,728
Support Services			
Management and general	78,160	-	78,160
Fundraising	175,344	-	175,344
Total Support Services	253,504	-	253,504
Total Operating Expenses	1,151,232	-	1,151,232
Change in Net Assets from Operations	(215,521)	40,735	(174,786)
<u>Nonoperating Activities:</u>			
Interest income	666	-	666
Total Nonoperating Activities	666	-	666
Change in Net Assets	(214,855)	40,735	(174,120)
Net Assets, Beginning of Year	476,283	54,871	531,154
Net Assets, End of Year	\$ 261,428	\$ 95,606	\$ 357,034

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Operating Revenue and Support:</u>			
Contributions	\$ 564,284	\$ 139,695	\$ 703,979
In-kind contributions	7,200	-	7,200
Special event revenue	233,185	-	233,185
Special event - in-kind revenue	120,000	-	120,000
Less: cost of special events	<u>(141,518)</u>	-	<u>(141,518)</u>
Net special events revenue	211,667	-	211,667
Net assets released from restrictions	<u>248,014</u>	<u>(248,014)</u>	<u>-</u>
Total Operating Revenue and Support	<u>1,031,165</u>	<u>(108,319)</u>	<u>922,846</u>
<u>Operating Expenses:</u>			
Program Services			
Capital projects	30,608	-	30,608
Crusades	125,454	-	125,454
Evangelical and local churches	196,308	-	196,308
Child care and school	612,997	-	612,997
Other	283	-	283
Total Program Services	<u>965,650</u>	<u>-</u>	<u>965,650</u>
Support Services			
Management and general	67,799	-	67,799
Fundraising	<u>165,923</u>	<u>-</u>	<u>165,923</u>
Total Support Services	<u>233,722</u>	<u>-</u>	<u>233,722</u>
Total Operating Expenses	<u>1,199,372</u>	<u>-</u>	<u>1,199,372</u>
Change in Net Assets from Operations	<u>(168,207)</u>	<u>(108,319)</u>	<u>(276,526)</u>
<u>Nonoperating Activities:</u>			
Interest income	<u>601</u>	<u>-</u>	<u>601</u>
Total Nonoperating Activities	<u>601</u>	<u>-</u>	<u>601</u>
Change in Net Assets	<u>(167,606)</u>	<u>(108,319)</u>	<u>(275,925)</u>
Net Assets, Beginning of Year	<u>643,889</u>	<u>163,190</u>	<u>807,079</u>
Net Assets, End of Year	<u>\$ 476,283</u>	<u>\$ 54,871</u>	<u>\$ 531,154</u>

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,800	\$ -	\$ 12,800	\$ 12,800
Association dues	-	-	-	-	-	-	1,000	-	1,000	1,000
Bank charges	-	-	-	-	-	-	8,255	-	8,255	8,255
Insurance	-	-	-	-	-	-	1,405	-	1,405	1,405
Office expenses	-	-	-	-	-	-	6,711	34,629	41,340	41,340
Professional fees	-	-	-	-	-	-	-	7,588	7,588	7,588
Program expenses	51,310	63,297	139,200	549,275	-	803,082	-	-	-	803,082
Salaries, payroll taxes and other compensation	-	-	47,323	47,323	-	94,646	44,377	133,127	177,504	272,150
Special Event Expenses	-	-	-	-	-	-	-	150,483	150,483	150,483
Telephone	-	-	-	-	-	-	90	-	90	90
Travel	-	-	-	-	-	-	3,522	-	3,522	3,522
Total Expenses	\$ 51,310	\$ 63,297	\$ 186,523	\$ 596,598	\$ -	\$ 897,728	\$ 78,160	\$ 325,827	\$ 403,987	\$ 1,301,715
Less Expenses Netted in Revenue:										
Special Events Expenses	-	-	-	-	-	-	-	(150,483)	(150,483)	(150,483)
Total Functional Expenses	\$ 51,310	\$ 63,297	\$ 186,523	\$ 596,598	\$ -	\$ 897,728	\$ 78,160	\$ 175,344	\$ 253,504	\$ 1,151,232

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	PROGRAM SERVICES					Total 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,900	\$ -	\$ 7,900	\$ 7,900
Association dues	-	-	-	-	-	-	1,065	-	1,065	1,065
Bank charges	-	-	-	-	-	-	2,862	-	2,862	2,862
Insurance	-	-	-	-	-	-	1,139	-	1,139	1,139
Office expenses	-	-	-	-	-	-	7,150	30,135	37,285	37,285
Postage	-	-	-	-	-	-	-	5,241	5,241	5,241
Professional fees	-	-	-	-	-	-	-	1,969	1,969	1,969
Program expenses	30,608	125,454	151,060	567,749	283	875,154	-	-	-	875,154
Salaries, payroll taxes and other compensation	-	-	45,248	45,248	-	90,496	42,860	128,578	171,438	261,934
Special Event Expenses	-	-	-	-	-	-	-	141,518	141,518	141,518
Telephone	-	-	-	-	-	-	100	-	100	100
Travel	-	-	-	-	-	-	4,723	-	4,723	4,723
Total Expenses	\$ 30,608	\$ 125,454	\$ 196,308	\$ 612,997	\$ 283	\$ 965,650	\$ 67,799	\$ 307,441	\$ 375,240	\$ 1,340,890
Less Expenses Netted in Revenue:										
Special Events Expenses	-	-	-	-	-	-	-	(141,518)	(141,518)	(141,518)
Total Functional Expenses	\$ 30,608	\$ 125,454	\$ 196,308	\$ 612,997	\$ 283	\$ 965,650	\$ 67,799	\$ 165,923	\$ 233,722	\$ 1,199,372

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.
STATEMENTS OF CASH FLOW
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	2023	2022
<u>Cash Flows From Operating Activities:</u>		
Cash received from donors	\$ 694,765	\$ 703,979
Special Events:		
Cash received for special events	236,560	233,185
Cash paid for special events	(30,483)	(21,518)
Net cash - special events	206,077	211,667
Interest income	666	601
Cash paid to India	(768,038)	(659,699)
Cash paid to other program services	(129,690)	(155,951)
Cash paid for support and fundraising	(251,175)	(212,699)
Net Cash Used by Operating Activities	(247,395)	(112,102)
<u>Cash Flows From Investing Activities:</u>		
Proceeds from sale of investments	68,404	-
Net Cash Provided by Investing Activities	68,404	-
Increase (Decrease) in Cash and Cash Equivalents	(178,991)	(112,102)
Cash at Beginning of Year	568,446	680,548
Cash at End of Year	\$ 389,455	\$ 568,446
Reconciliation of Changes in Net Assets to Net Cash from Operating Activities:		
Change in Net Assets	\$ (174,120)	\$ (275,925)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Non-cash in-kind contributions	(127,200)	(127,200)
Non-cash fundraising and special event expenses	127,200	127,200
Non-cash contributions of investments	(68,404)	-
Change in assets and liabilities:		
Accrued expenses	(15,475)	8,389
Credit card payable	10,604	5,434
Program service advances	-	150,000
Net Cash Used by Operating Activities	\$ (247,395)	\$ (112,102)

See accompanying notes.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 1. Description of Organization

India Rural Evangelical Fellowship, Inc. (IREF/US or Organization) 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, 2023 AND 2022

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. Revenue from special events is recognized when the event is held.

Designated Contributions

IREF/US recognizes donor designated contributions in accordance with ASC No.958-605-25-24, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. When a donor specifically designates a participating agency to receive his or her campaign contribution, the Organization excludes the designated contribution from contribution revenue. IREF/US is considered an agent for the designated beneficiary and, as such, records cash or a receivable from the donor and a liability to the designated beneficiary.

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.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. Significant Accounting Policies (continued)

Investments and Fair Value Measurements (continued)

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 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, 2023 and 2022.

The following have been recorded at fair value:

- Donated services
- Investments (if applicable)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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

INDIA RURAL EVANGELICAL FELLOWSHIP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2. Significant Accounting Policies (continued)

Donated Services, Property and Equipment (continued)

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.

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.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of items attributable to IREF/US's ongoing activities. Non-operating activities are limited to resources that generate return from long-term investments in excess of amounts designated for operations, endowment contributions, financing cost, and other activities considered to be of more unusual or nonrecurring nature.

Adoption of New Accounting Standards

On January 1, 2023, IREF/US adopted FASB ASU 2016-13, *Financial Instruments Credit Losses* (Topic 326), which requires IREF/US to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. There was no material impact on IREF/US's results of operations or financial condition upon adoption of the new standard.

Effective January 1, 2022, IREF/US adopted Accounting Standards Update (ASU) 2016-02, *Leases* (ASC Topic 842) and subsequent amendments. ASC 842 affects all entities that enter into lease arrangements, with certain exclusions under limited scope limitations. Under ASU 2016-02, an entity recognizes right-of-use assets and lease obligations on its statement of financial position for all leases with a lease term of more than 12 months. Short-term rentals under year-to-year leases or remaining lease terms of 12 months or less are exempt from being capitalized. IREF/US has no leases.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, 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:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 389,455	\$ 568,446
Total financial assets	389,455	568,446
Less: Net assets with donor restrictions subject to expenditure:	95,606	54,871
Financial assets available to meet general expenditures for the next 12 months	\$ 293,849	\$ 513,575

NOTE 4. Investments

Investments normally consist of stock donations. The policy of the organization is to liquidate donated securities as soon as reasonably possible. There were no investments as of December 31, 2023 or 2022.

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.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 6. Restrictions of Net Assets

Net assets with donor restrictions are available for:

	December 31,	
	2023	2022
Various program services	\$ 67,610	\$ 27,133
Capital projects	27,996	27,738
	\$ 95,606	\$ 54,871

NOTE 7. 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.

NOTE 8. Allocation of Joint Costs of Salary and Other Compensation

In 2023, the Organization incurred joint costs of \$272,150 for salary and other compensation that included fundraising appeals. Of those costs, an estimated \$94,646 was allocated to program services, \$44,377 was allocated to management and general expense and \$133,127 was allocated to fundraising.

In 2022, the Organization incurred joint costs of \$261,934 for salary and other compensation that included fundraising appeals. Of those costs, an estimated \$90,496 was allocated to program services, \$42,860 was allocated to management and general expense and \$128,578 was allocated to fundraising.

NOTE 9. In-kind Donations

IREF/US receives in-kind donations for their annual Together Event and Shine banquet and also for printing services for its ongoing fundraising marketing material. The in-kind donations are without donor restrictions but are used for annual events and periodic fundraising purposes. The in-kind donations are allocated in the statement of functional expenses to special event expense and office expense under fundraising support services. In-kind donations are reported as contributions at their estimated fair value on the date of receipt and reported as expense when utilized. For the years ended December 31, 2023 and 2022, the in-kind donations are as follows:

	December 31,	
	2023	2022
Special event – Broadcasting services	\$ 120,000	\$ 120,000
Printing services	7,200	7,200
Total	\$ 127,200	\$ 127,200

INDIA RURAL EVANGELICAL FELLOWSHIP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022 as the Organization had no unrelated business income. The Organization has no uncertain tax positions for the year ended December 31, 2023.

The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2020, 2021, and 2022 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, excluding in-kind contributions, in the amount of \$999,729 and \$937,164 were received during the fiscal years ended December 31, 2023 and 2022, respectively. Of the amount received, the largest three donors contributed approximately \$224,040 (22%) and \$297,753 (32%) during the fiscal years ended December 31, 2023 and 2022, respectively. Various churches, organizations and individuals contributed the balance.

NOTE 13. Related Party

The Organization has two affiliated organizations, 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 \$768,038 and \$659,699 for the years ended December 31, 2023 and 2022, respectively, have been sent to IREF/India.

During 2023, IREF/UK was unable to transfer monies directly to IREF/India due to bank regulations in India. IREF/UK transferred \$34,946 to IREF/US, which subsequently transferred the funds to IREF/India. IREF/US treated these monies as designated contributions.

During 2022, there was a \$10,000 short term advance IREF/UK that was paid back in full before the year ended December 31, 2022.

INDIA RURAL EVANGELICAL FELLOWSHIP, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 13. Related Party (continued)

The Organization received cash contributions from board members totaling \$211,911 and \$287,574 for the years ended December 31, 2023 and 2022, respectively. The Organization received in-kind donations from a board member totaling \$127,200 and \$127,200 for the years ended December 31, 2023 and 2022, respectively.

Additional transactions with related parties are the payment of salary and housing reimbursement to the IREF/US president and salary expense to three employees in 2023 and 2022 who are related to board members. The amount of these transactions totals \$222,630 and \$198,168 for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, \$12,599 and \$20,000 were due to a related party, respectively.

NOTE 14. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through November 14, 2024, the date which the financial statements were available to be issued and noted the following that would warrant disclosure in the financial statements.

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.