

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
***A Pure Charitable Trust and Public Charity***  
***(Within the Meaning of IRC §501(c)(3))***

---

**Audited Financial Statements**  
**December 31, 2019 and 2018**



**INTERNATIONAL COOPERATING MINISTRIES**  
NURTURING BELIEVERS AND ASSISTING CHURCH GROWTH WORLDWIDE

**Malvin, Riggins & Company, P.C.**  
**Certified Public Accountants**  
**725 City Center Blvd., Suite 200**  
**Newport News, Virginia 23606**  
**(757) 881-9600**

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
***A Pure Charitable Trust and Public Charity***  
***(Within the Meaning of IRC §501(c)(3))***

Table of Contents

December 31, 2019 and 2018

---

---

	<u>PAGE</u>
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 - 19



**MALVIN RIGGINS+COMPANY**<sub>PC.</sub>  
CERTIFIED PUBLIC ACCOUNTANTS

**Licensed  
Certified Public Accountants**  
Virginia  
Washington, D.C.  
Maryland  
North Carolina

[www.MalvinRiggins.com](http://www.MalvinRiggins.com)

**Corporate Office**  
725 City Center Boulevard  
Suite 200  
Newport News, VA 23606  
757.881.9600 (T)  
757.881.9617 (F)

**Virginia Beach**  
301 Cleveland Place  
Suite 101  
Virginia Beach, VA 23462  
757.995.2677 (T)  
757.995.2678 (F)

**Ashburn**  
20130 Lake View Center Plaza  
Suite 400  
Ashburn, VA 20147  
703.723.2838 (T)  
703.723.7827 (F)

**Washington, D.C.**  
1050 Connecticut Avenue  
5<sup>th</sup> Floor  
Washington, D.C. 20036  
202.296.2700 (T)  
202.296.2799 (F)

**Rockville**  
One Research Court  
Suite 450  
Rockville, MD 20850  
202.296.2700 (T)  
202.296.2799 (F)

**Nags Head**  
2510 S. Croatan Highway  
Suite B & C  
Nags Head, NC 27959  
252.441.1722 (T)  
252.441.6306 (F)

**Chapel Hill**  
1829 East Franklin Street  
Suite 100E  
Chapel Hill, NC 27514  
919.929.5640 (T)  
919.929.2205 (F)

## Independent Auditor's Report

To the Board of Trustees  
The Rosser Foundation  
d/b/a International Cooperating Ministries  
A Pure Charitable Trust and Public Charity  
(Within the Meaning of IRC §501(c)(3))  
Hampton, Virginia 23666

We have audited the accompanying financial statements of The Rosser Foundation, d/b/a International Cooperating Ministries, A Pure Charitable Trust and Public Charity (Within the Meaning of IRC §501(c)(3)) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, 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 audit. We conducted our audit 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 of 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 The Rosser Foundation, d/b/a International Cooperating Ministries, A Pure Charitable Trust and Public Charity (Within the Meaning of IRC §501(c)(3)) as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Malvin, Diggins + Company, P.C.*

Newport News, Virginia  
March 27, 2020

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

<b>ASSETS</b>		
	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash	\$ 2,514,547	\$ 700,200
Investments	6,861,945	3,920,765
Contributions receivable	464,409	472,312
Unconditional promises to give	-	1,385,500
Other current assets	291,337	195,015
Inventory	4,753	9,595
Property, equipment, and improvements, net	1,232,254	1,207,073
Other assets	1,961,539	1,396,674
	<u>13,330,784</u>	<u>9,287,134</u>
Total Assets	<u>\$ 13,330,784</u>	<u>\$ 9,287,134</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	\$ 203,761	\$ 255,132
Payroll withholdings and other current liabilities	26,850	331
Leases payable	16,970	31,073
	<u>247,581</u>	<u>286,536</u>
Total Liabilities	247,581	286,536
<b>Net Assets</b>		
Without donor restrictions	8,113,112	2,639,519
With donor restrictions	4,970,091	6,361,079
	<u>13,083,203</u>	<u>9,000,598</u>
Total Net Assets	<u>13,083,203</u>	<u>9,000,598</u>
Total Liabilities and Net Assets	<u>\$ 13,330,784</u>	<u>\$ 9,287,134</u>

See the independent auditor's report and accompanying notes.

**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**

Statement of Activities

Year Ended December 31, 2019

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating Activities</b>			
<b>Support and Revenue</b>			
Contributions	\$ 20,764,075	\$ 12,984,476	\$ 33,748,551
Sales of handbooks, videos, and cassettes	424	-	424
Interest and dividends	181,513	-	181,513
Net assets released from restriction	14,375,464	(14,375,464)	-
Other income	10,919	-	10,919
<b>Total Support and Revenue</b>	<b>35,332,395</b>	<b>(1,390,988)</b>	<b>33,941,407</b>
<b>Expenses</b>			
<b>Program services</b>			
Building program	24,126,050	-	24,126,050
Mini Bible College	1,751,277	-	1,751,277
<b>Total Program Services</b>	<b>25,877,327</b>	<b>-</b>	<b>25,877,327</b>
<b>Supporting Services</b>			
General and administrative	648,784	-	648,784
Fundraising	3,658,386	-	3,658,386
<b>Total Supporting Services</b>	<b>4,307,170</b>	<b>-</b>	<b>4,307,170</b>
<b>Total Expenses</b>	<b>30,184,497</b>	<b>-</b>	<b>30,184,497</b>
<b>Changes in Net Assets from Operations</b>	<b>5,147,898</b>	<b>(1,390,988)</b>	<b>3,756,910</b>
<b>Nonoperating activities</b>			
Investment return, net	325,695	-	325,695
<b>Total nonoperating activities</b>	<b>325,695</b>	<b>-</b>	<b>325,695</b>
<b>Changes in Net Assets</b>	<b>5,473,593</b>	<b>(1,390,988)</b>	<b>4,082,605</b>
<b>Net Assets, Beginning of Year</b>	<b>2,639,519</b>	<b>6,361,079</b>	<b>9,000,598</b>
<b>Net Assets, End of Year</b>	<b>\$ 8,113,112</b>	<b>\$ 4,970,091</b>	<b>\$ 13,083,203</b>

See the independent auditor's report and accompanying notes.

**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
Statement of Activities  
Year Ended December 31, 2018

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating activities</b>			
<b>Support and Revenue</b>			
Contributions	\$ 10,953,854	\$ 13,877,764	\$ 24,831,618
Sales of handbooks, videos, and cassettes	766	-	766
Net investment income	95,343	-	95,343
Net assets released from restriction	10,704,247	(10,704,247)	-
Other loss	7,442	-	7,442
Loss on sale of assets	(1,383)	-	(1,383)
<b>Total Support and Revenue</b>	<b>21,760,269</b>	<b>3,173,517</b>	<b>24,933,786</b>
<b>Expenses</b>			
<b>Program services</b>			
Building program	18,913,629	-	18,913,629
Mini Bible College	1,549,732	-	1,549,732
<b>Total Program Services</b>	<b>20,463,361</b>	<b>-</b>	<b>20,463,361</b>
<b>Supporting Services</b>			
General and administrative	640,709	-	640,709
Fundraising	2,847,475	-	2,847,475
<b>Total Supporting Services</b>	<b>3,488,184</b>	<b>-</b>	<b>3,488,184</b>
<b>Total Expenses</b>	<b>23,951,545</b>	<b>-</b>	<b>23,951,545</b>
<b>Changes in Net Assets from Operations</b>	<b>(2,191,276)</b>	<b>3,173,517</b>	<b>982,241</b>
<b>Nonoperating activities</b>			
Investment return, net	(126,608)	-	(126,608)
<b>Total nonoperating activities</b>	<b>(126,608)</b>	<b>-</b>	<b>(126,608)</b>
<b>Changes in Net Assets</b>	<b>(2,317,884)</b>	<b>3,173,517</b>	<b>855,633</b>
<b>Net Assets, Beginning of Year</b>	<b>4,957,403</b>	<b>3,187,562</b>	<b>8,144,965</b>
<b>Net Assets, End of Year</b>	<b>\$ 2,639,519</b>	<b>\$ 6,361,079</b>	<b>\$ 9,000,598</b>

See the independent auditor's report and accompanying notes.

**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
Statement of Functional Expenses  
Year Ended December 31, 2019

	Program Services			Supporting Services			Total Expenses
	International Church Growth	Mini Bible College	Total Program Services	General & Administration	Ministry Advancement	Total Supporting Services	
Expenses							
Building program	\$ 13,152,098	\$ -	\$ 13,152,098	\$ -	\$ -	\$ -	\$ 13,152,098
Building in-kind expense	9,279,926	-	9,279,926	-	-	-	9,279,926
Salaries & wages	810,239	457,279	1,267,518	360,422	1,507,571	1,867,993	3,135,511
Mini Bible College	-	1,119,940	1,119,940	-	-	-	1,119,940
Donor events	-	-	-	-	1,020,580	1,020,580	1,020,580
Employee benefits & tax	123,227	74,383	197,610	48,569	203,025	251,594	449,204
Pastor/partner support	98,507	-	98,507	-	-	-	98,507
Travel	216,674	20,728	237,402	473	16,870	17,343	254,745
Donor education	329,736	-	329,736	-	-	-	329,736
Development expenses	-	-	-	-	144,032	144,032	144,032
IT allocation, software & maintenance	36,687	12,229	48,916	12,575	14,031	26,606	75,522
Direct mail expense	5,971	5,971	11,942	1,820	48,907	50,727	62,669
Depreciation	21,146	14,097	35,243	12,335	40,530	52,865	88,108
Credit card processing fees	-	-	-	56,408	-	56,408	56,408
Video production	-	-	-	-	27,445	27,445	27,445
Gifts and donations	-	-	-	6,899	2,048	8,947	8,947
Utilities	12,470	5,513	17,983	8,711	8,697	17,408	35,391
Professional fees	-	-	-	49,377	-	49,377	49,377
Miscellaneous expenses	51	4,405	4,456	11,567	20,748	32,315	36,771
Marketing	-	-	-	-	41,445	41,445	41,445
Supplies	2,789	2,601	5,390	3,493	18,163	21,656	27,046
Vision trips	-	-	-	-	19,096	19,096	19,096
Licenses, fees, taxes	19,590	7,154	26,744	4,992	-	4,992	31,736
Training	713	-	713	340	24,366	24,706	25,419
Donor gifts	-	-	-	-	22,726	22,726	22,726
Board & conferences	949	13,890	14,839	25,791	-	25,791	40,630
Leased equipment	11,306	3,769	15,075	3,768	5,369	9,137	24,212
Cleaning & building maintenance	-	-	-	17,545	-	17,545	17,545
Website design & maintenance	-	-	-	-	20,568	20,568	20,568
Postage and shipping	1,047	3,508	4,555	5,894	6,853	12,747	17,302
Consulting services	-	-	-	-	441,603	441,603	441,603
Insurance	1,541	543	2,084	10,346	3,713	14,059	16,143
Storage space rental	-	-	-	3,384	-	3,384	3,384
Volunteer expense	-	-	-	4,075	-	4,075	4,075
Department meetings	1,383	425	1,808	-	-	-	1,808
Cost of sales	-	4,842	4,842	-	-	-	4,842
<b>Total Expenses</b>	<b>\$ 24,126,050</b>	<b>\$ 1,751,277</b>	<b>\$ 25,877,327</b>	<b>\$ 648,784</b>	<b>\$ 3,658,386</b>	<b>\$ 4,307,170</b>	<b>\$ 30,184,497</b>

See the independent auditor's report and accompanying notes.



**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
Statement of Functional Expenses  
Year Ended December 31, 2018

	Program Services			Supporting Services			Total Expenses
	International Church Growth	Mini Bible College	Total Program Services	General & Administration	Ministry Advancement	Total Supporting Services	
Expenses							
Building program	\$ 11,316,186	\$ -	\$ 11,316,186	\$ -	\$ -	\$ -	\$ 11,316,186
Building in-kind expense	5,873,984	-	5,873,984	-	-	-	5,873,984
Salaries & wages	808,751	330,585	1,139,336	338,027	1,275,937	1,613,964	2,753,300
Mini Bible College	-	931,356	931,356	-	-	-	931,356
Donor events	-	-	-	-	897,793	897,793	897,793
Employee benefits & tax	73,778	60,267	134,045	56,542	204,741	261,283	395,328
Pastor/partner support	242,686	138,519	381,205	-	-	-	381,205
Travel	197,128	25,971	223,099	76	43,614	43,690	266,789
Donor education	238,088	-	238,088	-	-	-	238,088
Development expenses	-	-	-	-	116,778	116,778	116,778
IT allocation, software & maintenance	51,019	17,006	68,025	17,004	17,006	34,010	102,035
Direct mail expense	11,765	11,765	23,530	2,195	58,372	60,567	84,097
Depreciation	41,840	13,947	55,787	13,945	13,946	27,891	83,678
Credit card processing fees	-	-	-	52,609	-	52,609	52,609
Video production	-	-	-	-	44,846	44,846	44,846
Gifts and donations	-	-	-	40,754	910	41,664	41,664
Utilities	14,273	2,680	16,953	7,703	11,150	18,853	35,806
Professional fees	-	-	-	32,378	-	32,378	32,378
Miscellaneous expenses	5,131	992	6,123	9,044	13,291	22,335	28,458
Marketing	-	-	-	-	25,963	25,963	25,963
Supplies	2,084	2,362	4,446	4,195	17,173	21,368	25,814
Vision trips	-	-	-	-	24,850	24,850	24,850
Licenses, fees, taxes	17,094	2,120	19,214	5,058	-	5,058	24,272
Training	-	-	-	174	21,289	21,463	21,463
Donor gifts	-	-	-	-	20,478	20,478	20,478
Board & conferences	689	3,330	4,019	15,997	-	15,997	20,016
Leased equipment	9,465	3,155	12,620	3,154	3,155	6,309	18,929
Cleaning & building maintenance	5,642	2,069	7,711	3,761	7,334	11,095	18,806
Website design & maintenance	-	-	-	-	18,636	18,636	18,636
Postage and shipping	1,305	2,283	3,588	6,894	7,483	14,377	17,965
Consulting services	-	-	-	16,545	-	16,545	16,545
Insurance	1,695	622	2,317	8,817	2,730	11,547	13,864
Storage space rental	-	-	-	3,272	-	3,272	3,272
Volunteer expense	-	-	-	2,565	-	2,565	2,565
Department meetings	1,026	317	1,343	-	-	-	1,343
Cost of sales	-	386	386	-	-	-	386
<b>Total Expenses</b>	<b>\$ 18,913,629</b>	<b>\$ 1,549,732</b>	<b>\$ 20,463,361</b>	<b>\$ 640,709</b>	<b>\$ 2,847,475</b>	<b>\$ 3,488,184</b>	<b>\$ 23,951,545</b>

See the independent auditor's report and accompanying notes.

**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
**Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 4,082,605	\$ 855,633
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	88,108	83,678
(Gain) loss on sale of assets	-	1,383
Net realized and unrealized (gain) loss on sale of investments	(147,469)	183,128
Reinvested dividends and capital gains	(221,162)	(93,112)
Donated auction items	(123,544)	-
Donated securities	(286,507)	-
Donated note receivable	(160,000)	-
(Increase) Decrease in operating assets:		
Unconditional promises to give	885,500	(1,385,500)
Inventory	4,842	386
Contributions receivable	7,903	(265,614)
Other current assets	(96,322)	(154,858)
Increase (Decrease) in operating liabilities:		
Accounts payable	(51,371)	72,979
Payroll withholdings	26,519	3,301
Net Cash Provided By (Used in) Operating Activities	4,009,102	(698,596)
<b>Cash Flows from Investing Activities</b>		
Principal payments on notes receivable	138,468	21,261
Purchase of property, equipment, and improvements	(113,291)	(82,740)
Proceeds from sale of investments	994,199	100,000
Purchase of investments	(3,200,029)	-
Net Cash Proved By (Used In) Investing Activities	(2,180,653)	38,521
<b>Cash Flows from Financing Activities</b>		
Payments on lease payable	(14,102)	(12,489)
Net Increase (Decrease) in Cash	1,814,347	(672,564)
Cash - Beginning of Year	700,200	1,372,764
Cash - End of Year	\$ 2,514,547	\$ 700,200
<b>Supplemental Disclosures of Cash Flow Information</b>		
<b>Noncash Operating and Investing Activities:</b>		
In-kind donations - building	\$ 9,279,926	\$ 5,873,984
Non-cash donations for auctions	\$ 123,544	\$ 89,732
Contributions of stock	\$ 291,548	\$ 5,041
Contributions of note receivable	\$ 660,000	\$ -

See the independent auditor's report and accompanying notes.

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

---

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Rosser Foundation, d/b/a International Cooperating Ministries, A Pure Charitable Trust and Public Charity (Within the Meaning of IRC §501 (c)(3)) (the Foundation), is a not-for-profit irrevocable trust established under the laws of the Commonwealth of Virginia. It operates as a publicly supported organization. The Foundation is dedicated to spreading the Gospel throughout the world by nurturing believers and assisting church growth worldwide.

**Financial Statement Presentation**

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

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Measure of Operations**

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Foundation's purpose of spreading the gospel and worldwide church growth, interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**Concentrations of Credit Risk**

The Foundation maintains several checking accounts at a local bank. Accounts at this financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at this institution can at times exceed federally insured limits throughout the year. Amounts in excess of the FDIC limit as of December 31, 2019 and 2018 were \$2,301,546 and \$759,491, respectively. Brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC). The SIPC insures accounts (not the underlying investments) with each

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

---

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Concentrations of Credit Risk (Continued)**

brokerage firm up to a maximum of \$500,000. Uninsured balances at the Foundation's various brokerage houses exceeded SIPC limits by \$5,705,865 and \$2,952,078 as of December 31, 2019 and 2018, respectively.

**Contributions Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

As of December 31, 2019, the Foundation had no unconditional promises to give and contributions receivables from year-end donors were \$464,409, all of which are expected to be collected within one year. As of December 31, 2018, the Foundation had unconditional promises to give in the amount of \$1,385,500 and contributions receivables from year-end donors in the amount of \$472,312.

**Inventory**

Inventory is stated at the lower of cost, determined by the first-in, first-out method, or market. Inventory is composed of books, videos, and CDs.

**Property, Equipment, and Improvements**

Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donations must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restrictions in the statements of activities at that time. Property and equipment are depreciated using the straight-line method.

**Investments**

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

See the independent auditor's report.

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

---

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The Foundation groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1      Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2      Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
  - Quoted prices for identical or similar assets in non-active markets;
  - Inputs other than quoted prices that are observable for the asset/liability; and,
  - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3      Unobservable inputs that cannot be corroborated by observable market data.

**Fair Value of Financial Instruments**

The Foundation's financial instruments consist primarily of cash, promises to give, donations receivable, inventory, notes receivable, and accounts payable. The carrying amount of cash, promises to give, donations receivable, inventory, notes receivable, and accounts payable approximate their fair value due to the short-term nature of such investments.

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions (Continued)**

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

**Conditional Promises and Indications of Intentions to Give**

Pursuant to the Foundation’s policy and in conformity with accounting standards, the Foundation does not recognize conditional promises or intentions to give as revenue until the condition is met or the pledges are received.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

The Organization is a not-for-profit organization that is exempt from income taxes under §501(c)(3) of the Internal Revenue Code.

**Compensated Absences**

Employees of the Foundation are entitled to paid vacation and sick/personal leave depending on job classification, length of service, and other factors. It is not practicable for the Foundation to estimate the amount of compensation for future absences. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The Foundation’s policy is to recognize the costs of compensated absences when actually paid to the employee.

**Functional Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>	<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Department/Time and effort	Supplies	Department/Time and effort
Travel	Department/Time and effort	Licenses, fees, taxes	Department/Time and effort
Direct mail expense	Department/Time and effort	Board and conferences	Department/Time and effort
Depreciation	Department/Time and effort	Leased equipment	Department/Time and effort
Information Technologies	Department/Time and effort	Cleaning and building Maintenance	Department/Time and effort
Utilities	Department/Time and effort	Postage and shipping	Department/Time and effort
Miscellaneous	Department/Time and effort	Insurance	Department/Time and effort

See the independent auditor’s report.

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

---

**NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**New Accounting Pronouncements**

On January 5, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-01, Financial Instruments – Overall (Subtopic 825-10) – *Recognition and Measurement of Financial Assets and Financial Liabilities*. The Foundation adopted this Update for the 2019 year. The amendments in this Update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. There has been no impact on the Foundation as its equity security is measured using the equity method.

On June 21, 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*. The Foundation adopted this Update for the 2019 year. The amendments in this Update 1) evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. There has been no impact on the Foundation as it does not participate in reciprocal transactions and none of its contributions are conditional.

On February 2018, the FASB issued ASU 2018-03, Technical Corrections and Improvements to Financial Instruments - Overall (Topic 825-10), *Recognition and Measurement of Financial Assets and Financial Liabilities*. The Foundation adopted this Update for the 2019 year. The amendments in this Update clarify and improve the scope and accounting guidance for certain financial assets and financial liabilities. This Update has not impacted the Foundation.

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly. In 2018, the ASU was applied retrospectively to all periods presented.

**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

**NOTE 2 – AVAILABILITY AND LIQUIDITY**

The following represents the Foundation’s financial assets at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash	\$ 2,514,547	\$ 700,200
Contributions receivable	464,409	472,312
Unconditional promises to give	-	1,385,500
Investments	6,861,945	3,920,765
Other assets	1,961,539	1,396,674
Total Financial Assets	<u>11,802,440</u>	<u>7,875,451</u>
Less amounts <i>not available to be used within one year:</i>		
Net assets with donor restrictions	<u>575,176</u>	<u>171,260</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 11,227,264</u>	 <u>\$ 7,704,191</u>

The Foundation’s goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$7,190,957 including contingent funding of foreign ministries of \$5,057,073). As part of its liquidity plan, excess cash is invested in short-term investments such as money market accounts.

**NOTE 3 – PROPERTY, EQUIPMENT, AND IMPROVEMENTS**

Property, equipment, and improvements consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Land	\$ 286,403	\$ 286,403
Buildings	388,598	388,598
Improvements	564,461	525,934
Furniture, fixtures, and equipment	703,502	631,409
Master video and audio tapes	<u>57,831</u>	<u>57,831</u>
	2,000,795	1,890,175
Less: accumulated depreciation	<u>(768,541)</u>	<u>(683,102)</u>
 Net property, equipment, and improvements	 <u>\$ 1,232,254</u>	 <u>\$ 1,207,073</u>

Total depreciation expense for the years ended December 31, 2019 and 2018 was \$88,109 and \$83,678, respectively.

See the independent auditor’s report.



**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

**NOTE 4 – INVESTMENTS**

Investments are stated at fair value and are summarized as follows as of December 31, 2019 and 2018:

	2019		
	Cost	Fair Market Value	Unrealized Gain
Mutual Funds	\$ <u>6,705,865</u>	\$ <u>6,861,945</u>	\$ <u>156,080</u>
	2018		
	Cost	Fair Market Value	Unrealized (Loss)
Mutual Funds	\$ <u>3,957,113</u>	\$ <u>3,920,765</u>	\$ <u>(36,348)</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2019 and 2018:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 181,513	\$ -	\$ 181,513
Net realized and unrealized gain on investments	<u>325,695</u>	<u>-</u>	<u>325,695</u>
Total investment return	<u>\$ 507,208</u>	<u>\$ -</u>	<u>\$ 507,208</u>
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 95,343	\$ -	\$ 95,343
Net realized and unrealized (loss) on investments	<u>(126,608)</u>	<u>-</u>	<u>(126,608)</u>
Total investment return	<u>\$ (31,265)</u>	<u>\$ -</u>	<u>\$ (31,265)</u>

See the independent auditor's report.

**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

**NOTE 5 – FAIR VALUE MEASUREMENTS**

*Level 1 Fair Value Measurements*

The fair values of mutual funds are available based on quoted market prices, when available.

December 31, 2019	Fair Value Measurements Using:			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investment Category				
Mutual Funds	\$ 6,861,945	\$ -	\$ -	\$ 6,861,945
Total	\$ 6,861,945	\$ -	\$ -	\$ 6,861,945

December 31, 2018	Fair Value Measurements Using:			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investment Category				
Mutual Funds	\$ 3,920,765	\$ -	\$ -	\$ 3,920,765
Total	\$ 3,920,765	\$ -	\$ -	\$ 3,920,765

**NOTE 6 – OTHER ASSETS**

Other assets consist of the following at December 31, 2019 and 2018:

	2019	2018
Partnership – Green Mount Associates, LLC, 18.18% interest	\$ 1,331,459	\$ 1,288,126
Note Receivable 1	593	4,975
Note Receivable 2	629,487	103,573
Total other assets	\$ 1,961,539	\$ 1,396,674

The Foundation measures its investment in Green Mount Associates, LLC (LLC) using the equity method as the LLC invests in real estate and the Foundation has more than a minor interest in the LLC. The Foundation initially measured the donated membership interests at fair value on the date of donation. The carrying amount of the LLC is adjusted annually by the percentage of any change in its equity corresponding to the Foundation's percentage interest in the LLC. The carrying costs of the LLC are also increased or decreased to reflect additional contributions or withdrawals of capital.

**The Rosser Foundation**  
**d/b/a International Cooperating Ministries**  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

**NOTE 7 –NET ASSETS**

Net asset with donor restrictions were as follows for the years ended as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Specific Purpose:		
Pastor & partner support	\$ 8,175	\$ 21,707
Church building program	4,718,536	4,952,987
Mini Bible College program - New	242,495	-
Disaster aid	885	885
	<u>4,970,091</u>	<u>4,975,579</u>
Passage of Time:		
Unconditional promises to give	-	1,385,500
	<u>-</u>	<u>1,385,500</u>
Total net assets	<u>\$ 4,970,091</u>	<u>\$ 6,361,079</u>

Net assets without donor restrictions for the years ended December 31, 2019 and 2018 are as follows

	<u>2019</u>	<u>2018</u>
Undesignated	<u>\$ 8,113,112</u>	<u>\$ 2,639,519</u>

Net assets released from net assets with donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restriction:		
Mini Bible College	\$ 528,484	\$ 772,256
Mini Bible College program - New	723,386	-
Building program	13,061,634	9,707,574
Partner support	61,960	224,417
	<u>14,375,464</u>	<u>10,704,247</u>
Total net assets released from restrictions	<u>\$ 14,375,464</u>	<u>\$ 10,704,247</u>

**NOTE 8 – FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. For the year ended December 31, 2019, \$1,892,278 of indirect expenses were allocated to program services and \$2,306,734 to ministry advancement. For the year ended December 31, 2018, \$1,722,157 of indirect expenses were allocated to program services and \$1,236,488 to ministry advancement.

See the independent auditor's report.

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

---

**NOTE 9 – INCOME TAXES**

Accounting standards clarify the accounting and recognition for income tax positions taken or expected to be taken in the Foundation's income tax returns. In evaluating the Foundation's tax provisions and accruals and future taxable income, interpretations and tax planning are considered. The Foundation believes their estimates are appropriate based on current facts and circumstances.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

The Foundation continuously assists with the building of churches worldwide in furtherance of its tax-exempt purpose. It agrees to provide funding of foreign ministry through the various phases of development of related church buildings and foundational improvements. As of December 31, 2019 and 2018, the Foundation estimated commitments of approximately \$6,503,020 and \$5,498,726, respectively, of which it can demonstrate appropriate funding based on its current cash and investment position.

In July 2016, the Foundation entered into a three-year operating lease for a vehicle. The Foundation expensed \$3,299 on the lease in 2019 and \$6,598 in 2018. In 2019, the lease was paid off.

The Foundation has acquired equipment under the provisions of long-term leases. For financial reporting purposes, minimum lease payments relating to the equipment have been capitalized and included in equipment on the statement of financial position. The leased equipment under capital leases as of December 31, 2019 have a total cost of \$43,562. Amortization of the leased equipment is included in depreciation expense. The balance of the capital lease payments at December 31, 2019 and 2018 are \$16,971 and \$31,073, respectively. Future minimum capital lease payments as of December 31, 2019 are as follows:

2020	\$	15,323
2021		1,647
	\$	<u>16,970</u>

**NOTE 11 – NON-CASH CONTRIBUTIONS**

The Foundation's policy is to recognize in-kind goods when donated as revenue at fair value in the period such contributions are made. The Foundation received donations of items for sale or auction totaling \$123,544 and \$89,732 for the years ending December 31, 2019 and 2018, respectively. The Foundation also received donated materials for the International Church Growth program. Those donations totaled \$9,279,926 and \$5,873,984 for the years ending December 31, 2019 and 2018, respectively. Such amounts have been recorded as contributions and expenses in the accompanying financial statements.

The Foundation receives donations of securities directly from donors. Those donations totaled \$291,548 and \$943,290 for the years ending December 31, 2019 and 2018, respectively.

Several volunteers have made significant contributions of their time in furtherance of The Foundation's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

See the independent auditor's report.

***The Rosser Foundation***  
***d/b/a International Cooperating Ministries***  
*A Pure Charitable Trust and Public Charity*  
*(Within the Meaning of IRC §501(c)(3))*  
Notes to Financial Statements  
December 31, 2019 and 2018

---

**NOTE 12 – RETIREMENT PLAN**

Certain employees of the Foundation participate in a deferred compensation retirement plan. The Foundation's contributions are equal to 3% of the annual salaries of participating employees. During the years ended December 31, 2019 and 2018, the Foundation's contribution to the Plan totaled \$48,362 and \$35,866, respectively.

**NOTE 13 – CASH SURRENDER VALUE OF LIFE INSURANCE**

The Foundation received a donated life insurance contract on the life of a certain individual in 2019. The policy was new in 2019 and had no value at donation nor had it accrued cash surrender value. The cash surrender value will be accrued as the policy builds value.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 27, 2020, the date that the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.

The COVID-19 outbreak in the United States has caused significant economic changes and disruptions. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees, and church building partners all of which are uncertain and cannot be predicted. While nothing has impacted the Foundation's financial statements as of the date of this report, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

**NOTE 15 – CORRECTION OF AN ERROR IN PRESENTATION**

During the audit, it was noted that the fair value table (see NOTE 5) erroneously included the notes receivable and the investment in the LLC (see NOTE 6). This error was corrected by removing the notes receivable and the investment in the LLC from the fair value table and expanding the detail for the investment in the LLC in NOTE 6. There was no effect on the 2018 or 2019 figures of the Foundation and net assets were also not affected by this correction.