

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, 2020 and 2019

ICM

**The Global
Church Developer™**

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d/b/a International Cooperating Ministries
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(Within the Meaning of IRC §501(c)(3))

Table of Contents

December 31, 2020 and 2019

	<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 - 18



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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, 2020 and 2019, 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, 2020 and 2019, 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
April 29, 2021

The Rosser Foundation
d/b/a International Cooperating Ministries
Statements of Financial Position
December 31, 2020 and 2019

ASSETS		
	2020	2019
Assets		
Cash	\$ 1,972,277	\$ 2,514,547
Investments	5,728,973	6,861,945
Contributions receivable	397,947	464,409
Other current assets	473,934	291,337
Inventory	3,988	4,753
Property, equipment, and improvements, net	1,288,514	1,232,254
Other assets	1,906,635	1,961,539
Total Assets	\$ 11,772,268	\$ 13,330,784
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 376,863	\$ 203,761
Notes payable - PPP loan	660,200	-
Payroll withholdings and other current liabilities	38,523	26,850
Leases payable	2,869	16,970
Total Liabilities	1,078,455	247,581
Net Assets		
Without donor restrictions	5,346,216	8,113,112
With donor restrictions	5,347,597	4,970,091
Total Net Assets	10,693,813	13,083,203
Total Liabilities and Net Assets	\$ 11,772,268	\$ 13,330,784

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Activities			
Support and Revenue			
Contributions	\$ 9,654,991	\$ 15,020,800	\$ 24,675,791
Sales of handbooks, videos, and cassettes	346	-	346
Interest and dividends	78,817	-	78,817
Net assets released from restriction	14,643,294	(14,643,294)	-
Other income	19,179	-	19,179
Loss on sale of assets	(460)	-	(460)
Total Support and Revenue	24,396,167	377,506	24,773,673
Expenses			
Program services			
Building program	21,721,594	-	21,721,594
Discipleship	2,985,063	-	2,985,063
Total Program Services	24,706,657	-	24,706,657
Supporting Services			
General and administrative	680,511	-	680,511
Fundraising	3,089,644	-	3,089,644
Total Supporting Services	3,770,155	-	3,770,155
Total Expenses	28,476,812	-	28,476,812
Changes in Net Assets from Operations	(4,080,645)	377,506	(3,703,139)
Nonoperating activities			
Investment return, net	1,313,749	-	1,313,749
Total nonoperating activities	1,313,749	-	1,313,749
Changes in Net Assets	(2,766,896)	377,506	(2,389,390)
Net Assets, Beginning of Year	8,113,112	4,970,091	13,083,203
Net Assets, End of Year	\$ 5,346,216	\$ 5,347,597	\$ 10,693,813

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

	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities			
Support and Revenue			
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 loss	10,919	-	10,919
Total Support and Revenue	35,332,395	(1,390,988)	33,941,407
Expenses			
Program services			
Building program	24,126,050	-	24,126,050
Mini Bible College	1,751,277	-	1,751,277
Total Program Services	25,877,327	-	25,877,327
Supporting Services			
General and administrative	648,784	-	648,784
Fundraising	3,658,386	-	3,658,386
Total Supporting Services	4,307,170	-	4,307,170
Total Expenses	30,184,497	-	30,184,497
Changes in Net Assets from Operations	5,147,898	(1,390,988)	3,756,910
Nonoperating activities			
Investment return, net	325,695	-	325,695
Total nonoperating activities	325,695	-	325,695
Changes in Net Assets	5,473,593	(1,390,988)	4,082,605
Net Assets, Beginning of Year	2,639,519	6,361,079	9,000,598
Net Assets, End of Year	\$ 8,113,112	\$ 4,970,091	\$ 13,083,203

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, 2020

	Program Services			Supporting Services			Total Expenses
	International Church Growth	Discipleship	Total Program Services	General & Administration	Ministry Advancement	Total Supporting Services	
Expenses							
Building program	\$ 12,922,397	\$ -	\$ 12,922,397	\$ -	\$ -	\$ -	\$ 12,922,397
Building in-kind expense	7,503,954	-	7,503,954	-	-	-	7,503,954
Salaries & wages	820,690	477,163	1,297,853	414,957	1,618,078	2,033,035	3,330,888
Discipleship programs	-	2,333,702	2,333,702	-	-	-	2,333,702
Donor events	-	-	-	-	100,877	100,877	100,877
Employee benefits & tax	144,997	91,523	236,520	71,569	273,440	345,009	581,529
Pastor/partner support	108,986	-	108,986	-	-	-	108,986
Travel	62,487	4,158	66,645	-	17,717	17,717	84,362
Donor education	44,094	-	44,094	-	-	-	44,094
Development expenses	-	-	-	-	56,819	56,819	56,819
IT allocation, software & maintenance	33,951	22,139	56,090	20,944	31,851	52,795	108,885
Direct mail expense	6,984	6,984	13,968	2,175	28,860	31,035	45,003
Depreciation	19,965	13,310	33,275	11,646	38,266	49,912	83,187
Credit card processing fees	-	-	-	39,127	-	39,127	39,127
Video production	-	-	-	-	14,001	14,001	14,001
Gifts and donations	-	-	-	1,870	628	2,498	2,498
Utilities	13,908	6,556	20,464	8,946	8,179	17,125	37,589
Professional fees	2,250	-	2,250	35,063	-	35,063	37,313
Miscellaneous expenses	1,807	2,280	4,087	8,373	1,563	9,936	14,023
Marketing	-	-	-	-	566,261	566,261	566,261
Supplies	2,115	2,230	4,345	3,321	13,169	16,490	20,835
Vision trips	-	-	-	-	8,335	8,335	8,335
Licenses, fees, taxes	19,945	8,910	28,855	8,826	-	8,826	37,681
Training	960	720	1,680	3,999	12,629	16,628	18,308
Donor gifts	-	-	-	-	26,356	26,356	26,356
Board & conferences	4,323	8,484	12,807	3,252	-	3,252	16,059
Leased equipment	5,863	1,964	7,827	7,855	3,493	11,348	19,175
Cleaning & building maintenance	-	-	-	14,028	-	14,028	14,028
Website design & maintenance	-	-	-	-	26,068	26,068	26,068
Postage and shipping	252	2,864	3,116	3,224	10,874	14,098	17,214
Consulting services	-	-	-	-	180,000	180,000	180,000
Insurance	1,203	1,008	2,211	15,536	4,248	19,784	21,995
Storage space rental	-	-	-	4,798	-	4,798	4,798
Volunteer expense	-	-	-	764	-	764	764
Department meetings	463	303	766	238	-	238	1,004
Cost of sales	-	765	765	-	-	-	765
New brand rollout	-	-	-	-	42,432	42,432	42,432
Planned giving	-	-	-	-	5,500	5,500	5,500
Total Expenses	\$ 21,721,594	\$ 2,985,063	\$ 24,706,657	\$ 680,511	\$ 3,089,644	\$ 3,770,155	\$ 28,476,812

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			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
Total Expenses	\$ 24,126,050	\$ 1,751,277	\$ 25,877,327	\$ 648,784	\$ 3,658,386	\$ 4,307,170	\$ 30,184,497

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, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ (2,389,390)	\$ 4,082,605
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	83,187	88,108
Loss on sale of assets	460	-
Net realized and unrealized (gain) on sale of investments	(940,086)	(557,520)
Reinvested dividends and capital (gains)	(278,209)	(221,162)
Donated note receivable	-	(160,000)
(Increase) Decrease in operating assets:		
Unconditional promises to give	-	885,500
Inventory	765	4,842
Contributions receivable	66,462	7,903
Other current assets	(182,597)	(96,322)
Increase (Decrease) in operating liabilities:		
Accounts payable	173,102	(51,371)
Payroll withholdings	11,673	26,519
Net Cash Provided By (Used in) Operating Activities	(3,454,633)	4,009,102
Cash Flows from Investing Activities		
Principal payments on notes receivable	54,904	138,468
Purchase of property, equipment, and improvements	(139,907)	(113,291)
Proceeds from sale of investments	2,351,267	994,199
Purchase of investments	-	(3,200,029)
Net Cash Provided By (Used In) Investing Activities	2,266,264	(2,180,653)
Cash Flows from Financing Activities		
Payments on lease payable	(14,101)	(14,102)
Notes payable - PPP Loan	660,200	-
Net Cash Provided By (Used In) Financing Activities	646,099	(14,102)
Net Increase (Decrease) in Cash	(542,270)	1,814,347
Cash - Beginning of Year	2,514,547	700,200
Cash - End of Year	\$ 1,972,277	\$ 2,514,547
Supplemental Disclosures of Cash Flow Information		
Noncash Operating and Investing Activities:		
In-kind donations - building	\$ 7,503,954	\$ 9,279,926
Non-cash donations for auctions	\$ 55,058	\$ 123,544
Contributions of stock	\$ 363,322	\$ 291,548
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, 2020 and 2019

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 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, 2020 and 2019 were \$1,645,360 and \$2,301,546, respectively. Brokerage accounts are insured by the Securities Investor Protection Corporation (SIPC). The SIPC insures accounts (not the underlying investments) with each

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, 2020 and 2019

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 \$3,743,203 and \$5,705,865 as of December 31, 2020 and 2019, 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, 2020, the Foundation had no unconditional promises to give and contributions receivables from year-end donors were \$397,947, all of which are expected to be collected within one year. As of December 31, 2019, the Foundation had no unconditional promises to give and contributions receivables from year-end donors in the amount of \$464,409.

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.

The Rosser Foundation
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A Pure Charitable Trust and Public Charity
(Within the Meaning of IRC §501(c)(3))
Notes to Financial Statements
December 31, 2020 and 2019

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;
 - 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
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A Pure Charitable Trust and Public Charity
(Within the Meaning of IRC §501(c)(3))
Notes to Financial Statements
December 31, 2020 and 2019

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, 2020 and 2019

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.

NOTE 2 – AVAILABILITY AND LIQUIDITY

The following represents the Foundation's financial assets at December 31, 2020 and 2019:

	2020	2019
Financial assets at year end:		
Cash	\$ 1,972,277	\$ 2,514,547
Contributions receivable	397,947	464,409
Investments	5,728,973	6,861,945
Other assets	1,906,635	1,961,539
Total Financial Assets	10,005,832	11,802,440
Less amounts <i>not available to be used within one year</i> :		
Net assets with donor restrictions	518,229	575,176
Financial assets available to meet general expenditures over the next twelve months	\$ 9,487,603	\$ 11,227,264

The Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses (approximately \$1,500,000 including contingent funding of foreign ministries which on average totals to \$5,000,000). 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, 2020 and 2019:

	2020	2019
Land	\$ 286,403	\$ 286,403
Buildings	388,598	388,598
Improvements	575,086	564,461
Furniture, fixtures, and equipment	823,023	703,502
Master video and audio tapes	57,831	57,831
	2,130,941	2,000,795
Less: accumulated depreciation	(842,427)	(768,541)
Net property, equipment, and improvements	\$ 1,288,514	\$ 1,232,254

Total depreciation expense for the years ended December 31, 2020 and 2019 was \$83,187 and \$88,109, 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, 2020 and 2019

NOTE 4 – INVESTMENTS

Investments are stated at fair value and are summarized as follows as of December 31, 2020 and 2019:

	2020		
	Cost	Fair Market Value	Unrealized Gain
Mutual Funds	\$ 4,755,430	\$ 5,728,973	\$ 973,543
	2019		
	Cost	Fair Market Value	Unrealized Gain
Mutual Funds	\$ 6,705,865	\$ 6,861,945	\$ 156,080

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2020 and 2019:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 78,817	\$ -	\$ 78,817
Net realized and unrealized gain on investments	1,313,749	-	1,313,749
Total investment return	\$ 1,392,566	\$ -	\$ 1,392,566
	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 181,513	\$ -	\$ 181,513
Net realized and unrealized gain on investments	325,695	-	325,695
Total investment return	\$ 507,208	\$ -	\$ 507,208

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, 2020 and 2019

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, 2020	Fair Value Measurements Using:			Total
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	
Investment Category				
Mutual Funds	\$ 5,728,973	\$ -	\$ -	\$ 5,728,973
Total	\$ 5,728,973	\$ -	\$ -	\$ 5,728,973

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

NOTE 6 – OTHER ASSETS

Other assets consist of the following at December 31, 2020 and 2019:

	2020	2019
Partnership – Green Mount Associates, LLC, 18.18% interest	\$ 1,331,459	\$ 1,331,459
Note Receivable 1	-	593
Note Receivable 2	575,176	629,487
Total other assets	\$ 1,906,635	\$ 1,961,539

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, 2020 and 2019

NOTE 7 –NET ASSETS

Net asset with donor restrictions were as follows for the years ended as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Specific Purpose:		
Pastor & partner support	\$ 8,804	\$ 8,175
Church building program	4,308,854	4,718,536
Discipleship	1,029,054	242,495
Disaster aid	885	885
	<u>5,347,597</u>	<u>4,970,091</u>
Passage of Time:		
Unconditional promises to give	-	-
	<u>-</u>	<u>-</u>
Total net assets	<u>\$ 5,347,597</u>	<u>\$ 4,970,091</u>

Net assets without donor restrictions for the years ended December 31, 2020 and 2019 are as follows

	<u>2020</u>	<u>2019</u>
Undesignated	<u>\$ 5,346,216</u>	<u>\$ 8,113,112</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 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Satisfaction of Purpose Restriction:		
Discipleship	\$ 926,041	\$ 528,484
Discipleship	1,070,732	723,386
Building program	12,555,448	13,061,634
Partner support	91,073	61,960
	<u>14,643,294</u>	<u>14,375,464</u>
Total net assets released from restrictions	<u>\$ 14,643,294</u>	<u>\$ 14,375,464</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, 2020, \$1,792,760 of indirect expenses were allocated to program services and \$2,245,793 to ministry advancement. 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.

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, 2020 and 2019

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, 2020 and 2019, the Foundation estimated commitments of approximately \$7,221,619 and \$6,503,020, respectively, of which it can demonstrate appropriate funding based on its current cash and investment position.

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, 2020 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, 2020 and 2019 are \$2,869 and \$16,970, respectively. Future minimum capital lease payments as of December 31, 2020 are as follows:

2021	\$	1,647
2022		1,222
	\$	<u>2,869</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 \$55,058 and \$123,544 for the years ending December 31, 2020 and 2019, respectively. The Foundation also received donated materials for the International Church Growth program. Those donations totaled \$7,503,954 and \$9,279,926 for the years ending December 31, 2020 and 2019, 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 \$363,322 and \$291,548 for the years ending December 31, 2020 and 2019, 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, 2020 and 2019

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, 2020 and 2019, the Foundation's contribution to the Plan totaled \$53,976 and \$48,362, 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 cash surrender value will be accrued as the policy builds value.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 29, 2021, 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.

During April 2020, the Foundation applied and received a loan under the Payroll Protection Program through TowneBank in the amount of \$660,200 for 18 months with a fixed rate of 1%. The Foundation has applied for forgiveness but has not received notice of forgiveness as of the date of our audit report. However, the loan and accrued interest are expected to be completely forgiven. In the event that the loan is not forgiven the terms detailed above will remain applicable.

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.