

INSTITUTE FOR GLOBAL ENGAGEMENT

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022



Certified Public Accountants

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Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Institute for Global Engagement
P.O. Box 12205
Arlington, Virginia 22219-2205

Opinion

We have audited the accompanying financial statements of **Institute for Global Engagement** (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 **Institute for Global Engagement** 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 audits 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 **Institute for Global Engagement** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 these 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 representation of the 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 **Institute for Global Engagement'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, including omissions, 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 **Institute for Global Engagement'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 **Institute for Global Engagement'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.

Kositzka, Wicks and Company

Alexandria, Virginia
July 3, 2024

Institute for Global Engagement

Statements of Financial Position December 31,

2023

2022

Assets

Current assets

Cash and cash equivalents \$ 428,378 \$ 329,034

Property and equipment, net of accumulated depreciation

5,844 7,437

Total assets \$ 434,222 \$ 336,471

Liabilities and net assets

Current liabilities

Accounts payable and accrued expenses \$ 36,377 \$ 18,299

Grant advances 188,155 292,235

Total liabilities 224,532 310,534

Net assets

Without donor restrictions 33,980 (18,038)

With donor restrictions 175,710 43,975

Total net assets 209,690 25,937

Total liabilities and net assets \$ 434,222 \$ 336,471

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Institute for Global Engagement

Statement of Activities for the year ended December 31, 2023

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Contributions and grants	\$ 948,074	\$ 293,810	\$ 1,241,884
Interest income	2,288	-	2,288
Royalty income	20,130	-	20,130
Loss on disposition of fixed assets	(469)	-	(469)
Net assets released from restrictions	162,075	(162,075)	-
Total support and revenue	1,132,098	131,735	1,263,833
Expenses			
Program			
Southeast Asia	406,074	-	406,074
South Africa	115,306	-	115,306
Center for Women, Faith and Leadership (CWFL)	133,444	-	133,444
Other	219,339	-	219,339
	<u>874,163</u>	<u>-</u>	<u>874,163</u>
Management and administration	139,838	-	139,838
Development	66,079	-	66,079
Total expenses	1,080,080	-	1,080,080
Change in net assets	52,018	131,735	183,753
Net assets, beginning of year	(18,038)	43,975	25,937
Net assets, end of year	\$ 33,980	\$ 175,710	\$ 209,690

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Institute for Global Engagement

Statement of Activities for the year ended December 31, 2022

	Without donor restrictions	With donor restrictions	Total
Support and revenue			
Contributions and grants	\$ 1,269,484	\$ 40,851	\$ 1,310,335
Interest income	1,813	-	1,813
Loss on disposition of fixed assets	(99)	-	(99)
Royalty income	15,922	-	15,922
Net assets released from restrictions	361,575	(361,575)	-
Total support and revenue	<u>1,648,695</u>	<u>(320,724)</u>	<u>1,327,971</u>
Expenses			
Program			
China	16,886	-	16,886
Souteast Asia	227,630	-	227,630
Central Asia	195,640	-	195,640
Center for Women, Faith and Leadership (CWFL)	435,584	-	435,584
South Africa	99,384	-	99,384
Other	339,667	-	339,667
	<u>1,314,791</u>	<u>-</u>	<u>1,314,791</u>
Management and administration	239,500	-	239,500
Development	153,380	-	153,380
Total expenses	<u>1,707,671</u>	<u>-</u>	<u>1,707,671</u>
Change in net assets	(58,976)	(320,724)	(379,700)
Net assets, beginning of year	40,938	364,699	405,637
Net assets, end of year	<u>\$ (18,038)</u>	<u>\$ 43,975</u>	<u>\$ 25,937</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Institute for Global Engagement

Statement of Functional Expenses for the year ended December 31, 2023

Expenses	Program expenses				Total program	Management & administration	Development	Total
	Southeast Asia	CWFL	South Africa	Other				
Associates and honoraria	\$ 31,500	\$ 52,148	\$ -	\$ 79,766	\$ 163,414	\$ -	\$ -	\$ 163,414
Bank and credit card fees	135	150	280	-	565	1,170	-	1,735
Depreciation	-	-	-	-	-	2,300	-	2,300
Insurance	-	-	-	240	240	6,561	-	6,801
Operational expenses	-	134	-	-	134	1,641	2,585	4,360
Personnel expenses	145,142	18,013	46,107	65,929	275,191	100,322	30,158	405,671
Publications	85,704	23,051	3,746	3,860	116,361	1,092	4,321	121,774
Professional services	41,067	5,515	6,990	59,672	113,244	5,876	21,415	140,535
Rent and utilities	-	-	-	-	-	3,870	-	3,870
Special projects-Vietnam	51,558	-	-	-	51,558	-	-	51,558
Telephone and internet	363	2,294	397	1,040	4,094	7,942	4,505	16,541
Travel and transportation	50,605	32,139	57,786	8,832	149,362	9,064	3,095	161,521
Total expenses by function	\$ 406,074	\$ 133,444	\$ 115,306	\$ 219,339	\$ 874,163	\$ 139,838	\$ 66,079	\$ 1,080,080

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Institute for Global Engagement

Statement of Functional Expenses for the year ended December 31, 2022

Expenses	Program expenses						Total program	Management & administration	Development	Total
	China	Southeast Asia	Central Asia	CWFL	South Africa	Other				
Associates and honoraria	\$ -	\$ 5,000	\$ -	\$ 54,345	\$ -	\$ 70,461	\$ 129,806	\$ -	\$ -	\$ 129,806
Bank and credit card fees	-	30	65	637	135	196	1,063	1,523	-	2,586
Depreciation	-	-	-	-	-	-	-	1,834	-	1,834
Insurance	-	-	-	-	-	240	240	6,441	-	6,681
Operational expenses	-	531	507	6,345	-	943	8,326	1,536	1,390	11,252
Personnel expenses	1,915	138,880	23,485	117,123	26,200	227,514	535,117	157,437	65,968	758,522
Publications	-	14,491	39,254	152,797	2,610	20,431	229,583	818	5,579	235,980
Professional services	2,361	20,302	29,133	16,992	11,650	8,061	88,499	56,459	64,952	209,910
Rent and utilities	-	-	-	-	-	-	-	3,540	-	3,540
Special projects-Beijing	11,817	-	-	-	-	-	11,817	-	-	11,817
Special projects-Vietnam	-	40,189	-	-	-	-	40,189	-	-	40,189
Special projects-South Africa	-	-	-	-	5,000	-	5,000	-	-	5,000
Telephone and internet	793	160	194	3,718	136	57	5,058	9,751	6,868	21,677
Travel and transportation	-	8,047	103,002	83,627	53,653	11,764	260,093	161	8,623	268,877
Total expenses by function	\$ 16,886	\$ 227,630	\$ 195,640	\$ 435,584	\$ 99,384	\$ 339,667	\$ 1,314,791	\$ 239,500	\$ 153,380	\$ 1,707,671

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Institute for Global Engagement

Statements of Cash Flows for the years ended December 31,

2023

2022

Cash flows from operating activities

Change in net assets	\$ 183,753	\$ (379,700)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	2,300	1,834
Loss on disposition of fixed assets	469	99
(Increase) decrease in operating assets		
Grants and contributions receivable	-	215,500
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	18,078	13,753
Grant advances	(104,080)	(319,693)
Net cash provided by (used in) operating activities	<u>100,520</u>	<u>(468,207)</u>

Cash flows from investing activities

Proceeds from sale of fixed assets	-	150
Purchase of property and equipment	(1,176)	(6,568)
Net cash used in investing activities	<u>(1,176)</u>	<u>(6,418)</u>

Net change in cash and cash equivalents

Cash and cash equivalents, beginning of year

Cash and cash equivalents, end of year

	99,344	(474,625)
	<u>329,034</u>	<u>803,659</u>
	<u>\$ 428,378</u>	<u>\$ 329,034</u>

Supplemental disclosure of cash flow information

Cash paid for interest	\$ -	\$ -
Income taxes paid	\$ -	\$ -

The accompanying independent auditor's report and notes are an integral part of the financial statements.

Institute for Global Engagement

Notes to Financial Statements December 31, 2023 and 2022

1. Organization

The Institute for Global Engagement (IGE or the Organization) is a nonprofit, nonpartisan organization incorporated in the Commonwealth of Pennsylvania in April 2000. IGE catalyzes freedom of faith worldwide so that everyone has the ability to live what they believe. It studies the impact of faith on state and society, it encourages governments to protect religious freedom, and it equips citizens to exercise that freedom responsibly.

In Southeast Asia, IGE facilitates religious freedom and peace building trainings. In Central Asia, IGE facilitated religious freedom training for government officials and faith leaders. The Center for Women, Faith & Leadership (CWFL) equips women of faith in the areas of religious freedom, conflict resolution, and peace building. Other programs of IGE include a quarterly journal, various publications and films that focus on the role of religion in global affairs.

IGE's revenue sources include individual contributions, foundations, and government grants.

2. Significant accounting policies

Basis of accounting

The accompanying financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets, revenues, gains, and losses are classified based on the existence or absence of restrictions imposed by donors or grantors. Accordingly, net assets and changes therein are classified and reported in two categories as described below.

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note 8 for more information on net assets with donor restrictions.

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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statements of cash flows, the Organization considers all cash and unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. It is the Organization's policy not to classify certificates of deposit as cash and cash equivalents. FDIC insurance is \$250,000 per depositor, per insured bank. IGE also holds cash in a credit union account insured by the American Share Insurance (ASI) with coverage of \$250,000 per account. Cash amounts in the credit union exceeded the ASI coverage by \$133,983 and \$75,899 on December 31, 2023 and 2022. To date, IGE has not experienced losses in any of these accounts.

See independent auditor's report.

Institute for Global Engagement

Notes to Financial Statements December 31, 2023 and 2022

Advance to grant partners and Due to grant partners

IGE supports other organizations around the world, and its programs facilitate dialogue, research and education to work toward a shared understanding of the meaning and benefits of religious liberty. IGE advances agreed-upon amounts to the partners, who then submit reports to account for how the funds are spent. There were no outstanding advances for the years ended December 31, 2023 and 2022. The amounts due to grant partners were reimbursed by IGE.

Property and equipment

Property and equipment is recorded at cost if purchased and at fair value if donated. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 5 years.

Compensated absences

Employees of the Organization are entitled to paid vacation depending on job classifications, length of service, and other factors. The accrued vacation policy disallows the carryover of unused vacation hours to the following year. Accordingly, there is no accrued vacation balance.

Revenue recognition

Contract revenue requires certain performance obligations and the incurrence of allowable qualifying expenses. The revenue from these exchange transactions are transferred over time as the performance obligations are met. Royalty income is generated from the subscription sales of "The Review of Faith & International Affairs", published quarterly. Royalty income is recognized over the period of the subscription, during the calendar year. There were no contract liabilities related to contract revenue or royalty income for the years ended December 31, 2023 and 2022.

Contributions and unconditional promises to give are recognized when the notification of a beneficial interest is received. IGE reports gifts of cash and other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor 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 statement of activities as net assets released from restrictions.

Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Sponsorships are conditioned upon certain performance requirements; consequently, at December 31, 2023 and 2022, conditional contributions of \$188,155 and \$292,235 have been recorded as grant advances.

Functional classification of expenses

The costs of providing the programs and services are summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and services benefited. Expenses have been allocated among the various programs, management and administration and fundraising functions based on a combination of specific identification and allocation by management. The expenses that are allocated include personnel expenses and professional services.

Fair value of financial assets and liabilities

Financial assets with carrying values approximating fair value include cash and cash equivalents. Financial liabilities with carrying values approximating fair value include accounts payable, accrued expenses, and grant advances. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

See independent auditor's report.

Institute for Global Engagement

Notes to Financial Statements December 31, 2023 and 2022

Income taxes

The Organization is exempt from federal income tax as a nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as an organization other than a private foundation. The Organization did not have a liability for unrelated business income for the years ended December 31, 2023 and 2022.

The material jurisdictions subject to potential examination by taxing authorities include the U.S., Pennsylvania, and Virginia. Management does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on IGE's results of operations. Tax years that remain subject to examination by the IRS are 2020 through 2023.

3. Liquidity and availability

Financial assets available for general expenditure, that is, without donor and other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2023</u>	<u>2022</u>
Checking and savings accounts	\$ 428,378	\$ 329,034
Less amounts donor restricted for purpose	<u>(175,710)</u>	<u>(43,975)</u>
	<u>\$ 252,668</u>	<u>\$ 285,059</u>

IGE's goal is to maintain financial assets at a level equal to 90-180 days of operating expenses. The cash flows of the Organization vary from month-to-month depending upon the timing of contributions and grants.

4. Property and equipment

Property and equipment consist of the following at December 31, 2023:

	<u>2023</u>	<u>2022</u>	<u>Useful life</u>
Computers and equipment	\$ 17,727	\$ 17,272	5 years
Website	13,500	13,500	3 years
	<u>31,227</u>	<u>30,772</u>	
Less accumulated depreciation	<u>(25,383)</u>	<u>(23,335)</u>	
	<u>\$ 5,844</u>	<u>\$ 7,437</u>	

Depreciation expense was \$2,300 and \$1,834 for the years ended December 31, 2023 and 2022.

5. Indirect costs

Indirect costs on grants are recorded at the rate approved in the agreement. For the years ended December 31, 2023 and 2022, the provisional indirect rate was 46.76 percent.

6. Employee status and benefit plans

For the years ended December 31, 2023 and 2022, the common law employees of IGE were leased from Insperity, a Professional Employer Organization. IGE retained its status of employer and control over day-to-day job duties over all common law employees.

See independent auditor's report.

Institute for Global Engagement

Notes to Financial Statements December 31, 2023 and 2022

IGE maintains a defined contribution plan that covers all eligible employees and contributed three percent of each employee's gross salary each pay period regardless of whether the employee elects to contribute for the years ended December 31, 2023 and 2022. IGE contributed \$8,710 and \$15,941 to the Plan for the years ended December 31, 2023 and 2022. The contributions are included in the personnel expenses on the statements of functional expenses.

7. Concentration

The Organization received 79 percent of its contributions from three donors and 62 percent of its contributions from two donors during the years ended December 31, 2023 and 2022, respectively.

8. Donor restricted net assets

For the year ended December 31, 2023, net assets were restricted for the following purposes:

	<u>2022</u>	<u>Additions</u>	<u>Releases</u>	<u>2023</u>
Center for Women, Faith & Leadership	\$ 16,611	\$ 250,000	\$ (112,695)	\$ 153,916
Myanmar	1,551	-	(1,551)	-
Laos	25,813	-	(8,486)	17,327
Other programs	-	43,810	(39,343)	4,467
	<u>\$ 43,975</u>	<u>\$ 293,810</u>	<u>\$ (162,075)</u>	<u>\$ 175,710</u>

For the year ended December 31, 2022, net assets were restricted for the following purposes:

	<u>2021</u>	<u>Additions</u>	<u>Releases</u>	<u>2022</u>
Center for Women, Faith & Leadership	\$ 352,977	\$ -	\$ (336,366)	\$ 16,611
Laos	-	40,851	(15,038)	25,813
Myanmar	1,551	-	-	1,551
Other programs	10,171	-	(10,171)	-
	<u>\$ 364,699</u>	<u>\$ 40,851</u>	<u>\$ (361,575)</u>	<u>\$ 43,975</u>

9. Subsequent events

The Organization assessed events occurring subsequent to December 31, 2023, through July 3, 2024, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

See independent auditor's report.