Interfaith Youth Core

Financial Report

July 31, 2019

Contents

plante moran

Plante & Moran, PLLC
10 South Riverside Plaza
9th floor
Chicago, IL 60606
Tel: 312.207.1040
Fax: 312.207.1066
plantemoran.com

Independent Auditor's Report

To the Board of Directors
Interfaith Youth Core

We have audited the accompanying financial statements of Interfaith Youth Core (IFYC), which comprise the statement of financial position as of July 31, 2019 and 2018 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Youth Core as of July 31, 2019 and 2018 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, IFYC adopted the provisions of Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Plante & Moran, PLLC

January 16, 2020

Statement of Financial Position

July 31, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash	$ 4,685,571	$ 4,441,693
Investments (Note 4)	4,591,924	3,624,574
Accounts receivable - Net	33,246	89,344
Short-term portion of grants and contributions receivable (Note 5)	3,554,954	4,932,547
Prepaid expenses and other current assets	615,772	493,506
Total current assets	13,481,467	13,581,664
Grants and Contributions Receivable - Net of current portion (Note 5)	2,371,984	4,683,490
Property and Equipment - Net (Note 6)	162,416	255,145
Total assets	**$ 16,015,867**	**$ 18,520,299**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 191,441	$ 105,245
Accrued liabilities and other:		
Accrued payroll	74,163	92,934
Short-term portion of deferred rent (Note 9)	22,329	14,419
Other accrued liabilities	55,669	58,810
Deferred revenue	40,397	41,382
Total current liabilities	383,999	312,790
Deferred Rent - Net of current portion (Note 9)	133,277	155,606
Net Assets		
Without donor restrictions	7,493,226	5,578,920
With donor restrictions (Note 7)	8,005,365	12,472,983
Total net assets	15,498,591	18,051,903
Total liabilities and net assets	**$ 16,015,867**	**$ 18,520,299**

Statement of Activities and Changes in Net Assets

Years Ended July 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support						
Individual contributions	$ 429,805	$ 1,075,000	$ 1,504,805	$ 394,911	$ 2,718,231	$ 3,113,142
Grants and contributions	816,304	1,592,888	2,409,192	915,545	2,780,000	3,695,545
Publications	5,788	-	5,788	8,774	-	8,774
Seminars and workshops	46,345	-	46,345	41,169	-	41,169
University revenue	144,600	-	144,600	111,500	-	111,500
Net realized and unrealized gains on investments	43,261	-	43,261	3,500	-	3,500
Interest and dividends	91,373	-	91,373	31,697	-	31,697
Honoraria	250,700	-	250,700	333,850	-	333,850
Foundation earned revenue	45,000	-	45,000	30,000	-	30,000
Donated services and facilities (Note 10)	17,242	-	17,242	9,731	-	9,731
Other revenue	3,724	-	3,724	3,187	-	3,187
Survey contract revenue	-	-	-	9,500	-	9,500
Net assets released from restrictions	7,135,506	(7,135,506)	-	6,781,344	(6,781,344)	-
Total revenue, gains, and other support	9,029,648	(4,467,618)	4,562,030	8,674,708	(1,283,113)	7,391,595
Expenses						
Program services:						
Campus partnerships	1,084,158	-	1,084,158	1,410,338	-	1,410,338
Communications	2,321,827	-	2,321,827	2,231,438	-	2,231,438
Leadership	1,922,264	-	1,922,264	2,063,160	-	2,063,160
Support services:						
Fundraising	821,430	-	821,430	809,602	-	809,602
Management and general	965,663	-	965,663	739,150	-	739,150
Total expenses	7,115,342	-	7,115,342	7,253,688	-	7,253,688
Increase (Decrease) in Net Assets	1,914,306	(4,467,618)	(2,553,312)	1,421,020	(1,283,113)	137,907
Net Assets - Beginning of year	5,578,920	12,472,983	18,051,903	4,157,900	13,756,096	17,913,996
Net Assets - End of year	**$ 7,493,226**	**$ 8,005,365**	**$ 15,498,591**	**$ 5,578,920**	**$ 12,472,983**	**$ 18,051,903**

See notes to financial statements.

Statement of Functional Expenses

Year Ended July 31, 2019

	Program Services				Support Services		
	Campus Partnerships	Communications	Leadership	Total	Fundraising	Management and General	Total
Salaries and related expenses	$ 570,330	$ 836,964	$ 717,663	$ 2,124,957	$ 547,456	$ 465,366	$ 3,137,779
Employee benefits	87,631	158,251	94,104	339,986	54,524	44,791	439,301
Payroll taxes	37,471	58,124	48,892	144,487	31,011	31,218	206,716
Total salaries and related expenses	695,432	1,053,339	860,659	2,609,430	632,991	541,375	3,783,796
Professional fees	-	100,865	21,882	122,747	2,450	44,148	169,345
Accounting fees	-	-	-	-	-	29,500	29,500
Information technology services	14,434	18,486	17,948	50,868	9,657	96,134	156,659
Supplies	1,758	47,552	395,320	444,630	6,660	18,200	469,490
Computer-related expenses	1,054	7,856	5,310	14,220	-	27,986	42,206
Telephone and telecommunications	6,832	9,007	7,360	23,199	4,258	5,586	33,043
Postage, shipping, and delivery	-	64,995	-	64,995	2,131	6,841	73,967
Books, subscriptions, and reference	55	5,063	11,397	16,515	9,960	1,997	28,472
Printing and copying	665	4,046	826	5,537	4,871	4,539	14,947
Fees and charges	-	-	1,494	1,494	1,898	14,073	17,465
Staff development	411	6,589	1,944	8,944	33	20,133	29,110
Occupancy expenses	64,279	82,638	80,054	226,971	42,094	54,704	323,769
Travel expense	41,232	63,824	102,337	207,393	34,799	5,125	247,317
Meetings expense	108	672	382	1,162	3,643	589	5,394
Depreciation	-	49,441	-	49,441	-	43,288	92,729
Insurance	-	-	-	-	-	29,825	29,825
Other expenses	1,119	1,583	1,775	4,477	45,985	21,020	71,482
Scholarships and stipends to individuals	19,900	33,600	169,171	222,671	-	-	222,671
Grants to other organizations	236,879	772,271	244,405	1,253,555	20,000	600	1,274,155
Total functional expenses	**$ 1,084,158**	**$ 2,321,827**	**$ 1,922,264**	**$ 5,328,249**	**$ 821,430**	**$ 965,663**	**$ 7,115,342**

See notes to financial statements.

Statement of Functional Expenses

Year Ended July 31, 2018

	Program Services				Support Services		
	Campus Partnerships	Communications	Leadership	Total	Fundraising	Management and General	Total
Salaries and related expenses	$ 849,632	$ 885,800	$ 899,938	$ 2,635,370	$ 483,494	$ 389,821	$ 3,508,685
Employee benefits	128,871	169,020	124,420	422,311	51,591	15,375	489,277
Payroll taxes	57,191	62,607	64,130	183,928	28,564	26,720	239,212
Total salaries and related expenses	1,035,694	1,117,427	1,088,488	3,241,609	563,649	431,916	4,237,174
Professional fees	6,334	98,481	12,064	116,879	4,950	27,346	149,175
Accounting fees	-	-	-	-	-	26,900	26,900
Information technology services	30,880	34,301	38,789	103,970	13,766	41,343	159,079
Supplies	241	13,399	390,037	403,677	47,136	20,317	471,130
Computer-related expenses	749	12,891	1,059	14,699	327	15,019	30,045
Telephone and telecommunications	7,117	8,321	9,799	25,237	4,120	5,555	34,912
Postage, shipping, and delivery	20	105,405	3,372	108,797	1,711	3,631	114,139
Books, subscriptions, and reference	815	9,152	1,918	11,885	8,369	1,495	21,749
Printing and copying	1,065	2,304	1,534	4,903	5,567	3,976	14,446
Fees and charges	-	41	1,446	1,487	3,114	2,578	7,179
Staff development	2,706	1,258	3,616	7,580	79	10,473	18,132
Occupancy expenses	75,502	80,655	93,699	249,856	33,548	41,962	325,366
Travel expense	49,899	28,241	107,354	185,494	44,920	18,848	249,262
Meetings expense	-	13	-	13	2,076	-	2,089
Depreciation	-	50,384	-	50,384	-	40,272	90,656
Insurance	-	-	-	-	-	27,561	27,561
Other expenses	3,916	1,943	3,401	9,260	1,395	18,958	29,613
Scholarships and stipends to individuals	-	40,200	95,459	135,659	15,000	-	150,659
Grants to other organizations	195,400	627,022	211,125	1,033,547	59,875	1,000	1,094,422
Total functional expenses	**$ 1,410,338**	**$ 2,231,438**	**$ 2,063,160**	**$ 5,704,936**	**$ 809,602**	**$ 739,150**	**$ 7,253,688**

See notes to financial statements.

Statement of Cash Flows

Years Ended July 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
(Decrease) increase in net assets	$ (2,553,312)	$ 137,907
Adjustments to reconcile (decrease) increase in net assets to net cash from operating activities:		
Depreciation expense	92,729	90,656
Contributed stock	(1,526,623)	(550,040)
Bad debt expense	45,000	2,955
Realized and unrealized gains on investments	(43,261)	(3,500)
Deferred rent	(14,419)	(6,697)
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	56,098	18,531
Grants and contributions receivable	3,644,099	1,346,235
Prepaid expenses and other current assets	(122,266)	(214,464)
Accounts payable	86,196	(214,102)
Accrued payroll	(18,771)	(29,330)
Other accrued liabilities	(3,141)	25,993
Deferred revenue	(985)	7,720
Net cash (used in) provided by operating activities	(358,656)	611,864
Cash Flows from Investing Activities		
Purchase of property and equipment	-	(16,258)
Purchases of investments	(5,098,089)	(3,487,648)
Proceeds from sales of investments	4,174,000	1,925,000
Sale of contributed stock	1,526,623	550,040
Net cash provided by (used in) investing activities	602,534	(1,028,866)
Net Increase (Decrease) in Cash	243,878	(417,002)
Cash - Beginning of year	4,441,693	4,858,695
Cash - End of year	**$ 4,685,571**	**$ 4,441,693**

See notes to financial statements.

Note 1 - Nature of Business

Interfaith Youth Core (IFYC), located in Chicago, Illinois, is a nonprofit corporation. Established in 2002, IFYC's vision is to build a society in which interfaith cooperation is a social norm. Rather than succumb to the notion of the inevitability of religious conflict, IFYC seeks to transform America into a nation that sees its religious diversity as a strength. Focusing on the higher education sector for its catalytic impact on broader society, IFYC has four strategically aligned program areas:

Model Environments - IFYC partners with campuses to implement consultations, devise assessment resources, and steward relationships over the long term, achieving sustainable, institution-wide shifts embedding interfaith cooperation.

Leaders - IFYC trains, cultivates, and networks a set of campus leaders, including students, staff, faculty, administrators, and alumni to advance interfaith cooperation within their spheres of influence.

Knowledgebase - IFYC contributes to and curates a knowledgebase that provides the theoretical core to undergird practice.

Communications - Communications programs give voice to the interfaith movement through a range of media platforms and change public discourse from the inevitability of religious conflict to the possibility of interfaith cooperation.

IFYC's funding is derived primarily from individual and foundation gifts, seminars and workshops, speaking honoraria, and university contracts.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of IFYC have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

Classification of Net Assets

Net assets of IFYC are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of IFYC.

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

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Note 2 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement

As of August 1, 2018 and applied retrospectively, except for the liquidity and availability disclosures, as allowed by the standard, IFYC adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This standard requires net assets to be classified in two categories, net assets without donor restrictions and net assets with donor restrictions, rather than the three previous classifications. This standard also requires changes in the way certain information is aggregated and reported by IFYC, including disclosures of quantitative and qualitative information about the liquidity and availability of resources and the presentation of expenses by both functional and natural classification. The standard also clarifies the definition of management and general and prohibits certain expenses from being allocated out of management and general. As a result of the adoption of this standard, the financial information for the year ended July 31, 2018 has been restated as follows: management and general expenses has increased by $52,319 from the amount previously reported, with a corresponding decrease in program expenses of $52,319.

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are recorded in the statement of activities and changes in net assets based on the specific identification method. IFYC's investments are exposed to various risks, such as interest rate and credit risk as well as overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and could materially affect the amounts reported in the statement of financial position.

Accounts, Grants, and Contributions Receivable

Accounts receivable consist of amounts due for services rendered. Receivables are carried at original invoice amounts. IFYC's contributions receivable are composed primarily of grants and allocations committed from various funding agencies for use in IFYC's activities. Management monitors the collection of these receivables on a periodic basis, and amounts are written off when deemed uncollectible. Management believes that all grants and contributions receivable are fully collectible. The allowance for doubtful accounts receivable was $9,360 as of July 31, 2019 and 2018.

Contributions

Unconditional promises to give cash and other assets to IFYC are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met the year in which the contributions are received are reported as contributions without donor restrictions in the accompanying financial statements. Contributed stocks are sold upon receipt, unless there are donor restrictions restricting the sale of such stocks.

Revenue Recognition

Honoraria revenue is recognized as income when the event occurs. Amounts received in advance are deferred and included in deferred revenue in the statement of financial position.

Note 2 - Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost and depreciated over their estimated useful lives using the straight-line method. Leasehold improvements are depreciated over the shorter of their useful lives or the lease term. Costs of repairs and maintenance are charged to expense as incurred.

Income Taxes

IFYC is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

Functional Allocation of Expenses

The costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. Costs are classified directly, when possible. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management.

- Occupancy - By full-time equivalent (FTE) positions per department
- Information technology services - By full-time equivalent (FTE) positions per department

Occupancy costs include maintenance, utilities, and other indirect expenses incurred by multiple departments. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts.

Upcoming Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for IFYC's year ending July 31, 2020. The ASU permits application of the new revenue recognition guidance one of two retrospective application methods: retrospectively to each period presented (full retrospective method) or retrospectively, with the cumulative effect of initially applying the guidance recognized at the date of initial application (the cumulative catch-up transition method). IFYC will most likely adopt the cumulative catch-up method if the implementation of the standard does not result in a significant adjustment. IFYC is reviewing its various revenue streams and does not feel this standard will have a significant impact on the timing of revenue recognition. However, IFYC does expect to have expanded disclosures as a result of the new standard.

Note 2 - Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-to-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for IFYC's year ending July 31, 2022 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The new lease standard is expected to have a significant effect on IFYC’s financial statements as a result of IFYC's operating leases, as disclosed in Note 9, that will be reported on the statement of financial position at adoption. Upon adoption, IFYC will recognize a lease liability and corresponding right-to-use asset based on the present value of the minimum lease payments. The effects on the statement of activities and changes in net assets are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides enhanced guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal transactions) and (2) determining whether a contribution is conditional. The accounting guidance will result in more governmental contracts being accounted for as contributions and may delay revenue recognition for certain grants and contributions that no longer meet the definition of unconditional. The new guidance will be effective for the IFYC’s year ending July 31, 2020 and will be applied on a modified prospective basis. IFYC has not yet determined the standard's impact on the timing of recognition of foundation and individual grants and contributions.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including January 16, 2020, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The following reflects the IFYC's financial assets as of July 31, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of July 31, 2019:

Cash	$ 4,685,571
Investments	4,591,924
Accounts receivable - Net	33,246
Grants and contributions receivable - Net	5,926,938
Financial assets - At year end	15,237,679
Less those unavailable for general expenditures within one year due to:	
Contractual or donor-imposed restrictions - Restricted by donor with time or purpose restrictions	8,005,365
Board designations	500,000
Financial assets available to meet cash needs for general expenditures within one year	$ 6,732,314

The contributions receivable are subject to implied time restrictions; of the amount reported above, $3,554,954 is expected to be collected within one year and released from donor-imposed purpose restrictions.

Note 3 - Liquidity and Availability of Resources (Continued)

IFYC has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet six months of normal operating expenses, which are, on average, approximately $3,960,000. IFYC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, IFYC invests cash in excess of daily requirements in various short-term investments, including certificate of deposits and money market accounts.

IFYC also realizes there could be unanticipated liquidity needs.

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about IFYC's assets measured at fair value on a recurring basis at July 31, 2019 and 2018 and the valuation techniques used by IFYC to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the IFYC has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. IFYC's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

IFYC does not currently utilize any Level 3 inputs.

	Assets Measured at Fair Value on a Recurring Basis at July 31, 2019				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at July 31, 2019
Investments:					
Mutual funds	$ 1,068,887	$ -	$ -	$ -	$ 1,068,887
Certificates of deposit	-	2,700,929	-	-	2,700,929
Total investments	$ 1,068,887	$ 2,700,929	$ -	$ -	$ 3,769,816

Note 4 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at July 31, 2018				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Net Asset Value	Balance at July 31, 2018
Investments - Certificates of deposit	$ -	$ 2,210,579	$ -	$ -	$ 2,210,579

Not included in the tables above is $822,108 and $1,413,995 in money market accounts as of July 31, 2019 and 2018, respectively.

Certificates of deposit are brokered through various financial institutions and are purchased and sold without a penalty, unless redeemed early. They are valued at fair value.

IFYC's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the beginning of the reporting period. There were no such transfers for the years ended July 31, 2019 and 2018.

Note 5 - Grants and Contributions Receivable

Contributions receivable are expected to be collected during the following periods:

	2019	2018
Less than one year	$ 3,554,954	$ 4,932,547
One to five years	2,449,707	4,579,400
More than five years	-	200,000
Less allowance for present value discount (1 percent)	(77,723)	(95,910)
Total grants and contributions receivable	$ 5,926,938	$ 9,616,037

Note 6 - Property and Equipment

The cost of property and equipment is summarized as follows:

	2019	2018	Depreciable Life - Years
Furniture and fixtures	$ 189,901	$ 189,901	3-5
Computer equipment and website	513,337	513,337	3-5
Leasehold improvements	10,890	10,890	5-20
Total cost	714,128	714,128	
Less accumulated depreciation	551,712	458,983	
Net amount	$ 162,416	$ 255,145	

Depreciation expense was $92,729 and $90,656 for the years ended July 31, 2019 and 2018, respectively.

Note 7 - Net Assets

Net assets without donor restrictions consist of the following as of July 31:

	2019	2018
Board-designated net assets	$ 500,000	$ 250,000
Undesignated net assets	6,993,226	5,328,920
Total net assets without donor restrictions	$ 7,493,226	$ 5,578,920

Net assets with donor restrictions as of July 31 consist of the following:

	2019	2018
Subject to expenditures for a specified purpose:		
Leadership	$ 794,741	$ 1,301,749
Communications	837,906	1,462,443
Development	-	15,379
Subject to the passage of time	6,372,718	9,693,412
Total net assets with donor restrictions	$ 8,005,365	$ 12,472,983

Note 8 - Concentration of Grants and Contributions

Approximately 41 percent of 2019 total grants and contributions revenue was contributed by two foundations, of which $2,925,000 is included in grants and contributions receivable on the statement of financial position as of July 31, 2019.

Approximately 43 percent of 2018 total grants and contributions revenue was contributed by two foundations, of which $2,892,000 is included in grants and contributions receivable on the statement of financial position as of July 31, 2018.

Note 9 - Operating Leases

In October 2012, IFYC entered into an operating sublease for office space. The sublease term began on November 1, 2012 and expired on November 30, 2016. Initially, the lease payments were abated for four months, and the rental payments ranged over the life of the lease from $19,843 to $21,626. IFYC is accounting for this lease in accordance with U.S. generally accepted accounting principles by using the straight-line method of accounting.

In November 2016, IFYC entered into an operating sublease for new office space. The lease term began on December 1, 2016 and expires on November 30, 2023. Base rent for the lease commenced on July 1, 2017, after which time the monthly rental payments have ranged over the life of the lease from $25,402 to $29,450. As required by the lease, IFYC entered into a $101,606 standby letter of credit as the security deposit to the lessor. IFYC is accounting for this lease in accordance with U.S. generally accepted accounting principles by using the straight-line method of accounting.

The difference in actual rent payments and the expense recognized using the straight-line method is recorded as deferred rent liability in the amount of $155,606 and $170,025 for the years ended July 31, 2019 and 2018, respectively.

Note 9 - Operating Leases (Continued)

The following is a schedule of future minimum rental payments under the operating lease:

Years Ending July 31	Amount
2020	$ 325,514
2021	333,611
2022	341,958
2023	350,524
2024	117,800
Total	$ 1,469,407

Total rent expense under all operating leases was $303,754 and $303,570 for the years ended July 31, 2019 and 2018, respectively.

Note 10 - Donated Services and Facilities

A significant amount of volunteer services is contributed to IFYC to support its activities. These volunteer activities include participating on the board of directors and numerous other committees. The value of these services is not recorded in the financial statements. These volunteer services are not recordable under GAAP.

The value of contributed services included in the statement of activities and changes in net assets and allocated to management and general and program service expense was $17,242 and $9,731 for the years ended July 31, 2019 and 2018, respectively.

Note 11 - Grant Commitments

During the year ended July 31, 2016, IFYC approved grant contracts to two universities totaling $3,279,394, payable over four years and covering the term from August 1, 2016 through May 31, 2020. The grants fund the implementation of the Interfaith Diversity Experiences and Attitudes Longitudinal Survey (IDEALS) research initiative. The payments will be expensed as the work is performed by the universities over the term of the agreements.

As of July 31, 2019, the grant commitments payable during the next fiscal year total $617,348.

Note 12 - Employee Benefit Plan

IFYC instituted a 403(b) plan available to all employees, with an employer match of 40 percent of the employees' contribution up to 6 percent of the salary. During the years ended July 31, 2019 and 2018, the employer match was $94,128 and $109,510, respectively.

Note 13 - Conditional Pledge

A conditional pledge funding the general support of IFYC's programs and services was received during the year ended July 31, 2015. IFYC is eligible to receive $575,000 at July 31, 2020 if the conditions for the pledge are met. Payments of the pledge are conditional upon IFYC achieving select performance measure targets for the Model Environments and Leaders programs areas and if IFYC reaches a target level of contributions in the prior year. These conditional pledges are not reflected in the accompanying financial statements.