

INTERNATIONAL CHRISTIAN CONCERN, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INTERNATIONAL CHRISTIAN CONCERN, INC.
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DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
International Christian Concern, Inc.
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of International Christian Concern, Inc., which comprise the statement of financial position as of December 31, 2020; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements (collectively, 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 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.

Auditor's Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Christian Concern, Inc. as of December 31, 2020, and the changes in its net assets and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Cranberry Township, Pennsylvania
July 6, 2021

INTERNATIONAL CHRISTIAN CONCERN, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,889,652
Receivables	272,360
Investments	634,751
Prepaid expenses and other	<u>54,426</u>
Total current assets	<u>2,851,189</u>

OTHER ASSETS

Property and equipment, net	10,015
Security deposits	<u>8,406</u>
Total other assets	<u>18,421</u>
Total assets	<u><u>\$ 2,869,610</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 150,209
Payroll Protection Program loan	<u>183,090</u>
Total current liabilities	333,299

OTHER LIABILITIES

Deferred rent	<u>12,483</u>
Total liabilities	<u>345,782</u>

NET ASSETS

Without donor restrictions	2,031,020
With donor restrictions	<u>492,808</u>
Total net assets	<u>2,523,828</u>
Total liabilities and net assets	<u><u>\$ 2,869,610</u></u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL CHRISTIAN CONCERN, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 2,069,697	\$ 1,474,977	\$ 3,544,674
Grants	25,000	-	25,000
Interest and dividends	10,815	-	10,815
Net realized/unrealized loss on investments	(6,960)	-	(6,960)
Net assets released from restriction	1,227,083	(1,227,083)	-
Total revenues and other support	3,325,635	247,894	3,573,529
Expenses			
Program expenses:			
Advocacy	294,000	-	294,000
Awareness	579,383	-	579,383
Assistance	1,409,733	-	1,409,733
Total program services	2,283,116	-	2,283,116
Supporting expenses:			
General and administrative	444,985	-	444,985
Fundraising	50,714	-	50,714
Total supporting expenses	495,699	-	495,699
Total operating expenses	2,778,815	-	2,778,815
Change in net assets	546,820	247,894	794,714
Net assets, beginning of year	1,484,200	244,914	1,729,114
Net assets, end of year	\$ 2,031,020	\$ 492,808	\$ 2,523,828

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL CHRISTIAN CONCERN, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services			Supporting Services		Total
	Advocacy	Awareness	Assistance	General and Administrative	Fundraising	
Salaries and wages	\$ 184,309	\$ 259,887	\$ 231,260	\$ 258,556	\$ 15,863	\$ 949,875
Internet	4,494	6,337	5,639	6,305	387	23,162
Payroll taxes and benefits	38,272	53,966	48,021	53,689	3,294	197,242
Office and administration	39,300	55,415	49,311	55,132	3,382	202,540
Professional fees	2,115	2,983	2,654	50,938	182	58,872
Bank fees	14,516	20,469	18,214	20,365	1,249	74,813
Donor appeals	-	-	-	-	25,920	25,920
Mission trips	-	-	8,580	-	-	8,580
Conference	2,261	9,779	-	-	-	12,040
Miscellaneous	8,733	170,547	-	-	437	179,717
Additional ministry expenses by region:						
Ministries in Africa	-	-	221,196	-	-	221,196
Ministries in Middle East	-	-	312,343	-	-	312,343
Ministries in South Asia	-	-	377,117	-	-	377,117
Ministries in Southeast Asia	-	-	119,283	-	-	119,283
Other regions	-	-	16,115	-	-	16,115
	<u>\$ 294,000</u>	<u>\$ 579,383</u>	<u>\$ 1,409,733</u>	<u>\$ 444,985</u>	<u>\$ 50,714</u>	<u>\$ 2,778,815</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL CHRISTIAN CONCERN, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in net assets	\$ 794,714
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	6,953
Net realized/unrealized loss on investments	6,960
Noncash charitable contributions	(4,924)
Increase in assets:	
Accounts receivable	(14,282)
Prepaid expenses	(25,806)
Increase in liabilities:	
Accounts payable	43,556
Deferred rent	3,026
Net cash provided by operating activities	810,197

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale and maturities of investments	578,826
Purchases of securities/reinvestments	(938)
Purchases of property and equipment	(3,755)
Net cash provided by investing activities	574,133

CASH FLOWS FROM FINANCING ACTIVITIES

Payroll Protection Program loan	183,090
Net cash provided by financing activities	183,090

Net increase in cash and cash equivalents	1,567,420
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	322,232
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CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,889,652
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The accompanying notes are an integral part of these financial statements.

INTERNATIONAL CHRISTIAN CONCERN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

International Christian Concern, Inc. (ICC) was incorporated under the Non-Profit Corporation Act in Maryland on September 19, 1995. ICC is a non-denominational organization whose mission is to assist all persecuted Christians throughout the world by providing awareness, assistance, and advocacy. Since 1995, ICC has served as an advocate for the worldwide persecuted church. ICC is committed to connecting the largely ignorant Western world to the needs of the 200 million Christians around the world who suffer persecution for their faith in Christ.

Awareness

As faithful stewards of God’s word, ICC feels that it has been called to stand in a massive gap created by the church and the mainstream media and to educate those around us about the existence and severity of Christian persecution worldwide. ICC does this through press releases, newsletters, websites, social media, podcasts, various reports, and other means.

Assistance

There is a spectrum of persecution from job discrimination to imprisonment, torture, and murder. ICC aids persecuted Christians that suffer along this spectrum to heal, withstand blows, and to grow the church in depth and breadth in persecuted areas. Some of ICC’s activities are as follows:

- Aid to believers who have lost jobs due to persecution
- Aid to believers whose communities are attacked
- Aid to communities whose churches have been damaged or destroyed
- Aid to those beaten for their faith
- Aid to the families of martyrs

ICC also builds the church by spreading the gospel and discipling believers in heavily persecuted areas:

- Purchase and distribution of scripture
- Financial support and training for church planters or underground pastors
- Financial support of those pushing the gospel out via radio, internet, and various other means.

Advocacy

ICC is working through government leaders in the US Congress, the State Department, and the White House to support legislation, bring pressure on persecuting countries, and secure the release of the imprisoned. Advocacy is a challenging yet important function that ICC provides to suffering Christians, not because they believe they can ultimately stop persecution before Christ’s return, but because they believe they have a scriptural mandate to speak up for those who cannot speak for themselves.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting and Presentation

The financial statements of ICC are prepared on the accrual basis of accounting, in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP). Under the accrual basis of accounting, income is recorded when it is earned, and expenses are recorded when they are incurred. U.S. GAAP

INTERNATIONAL CHRISTIAN CONCERN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Principles of Accounting and Presentation (Continued)

requires ICC 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 ICC. These net assets may be used at the discretion of ICC’s management and the Board of Directors. As of December 31, 2020, no net assets without donor restrictions were subject to activities specifically designated by the Board of Directors.
- **Net Assets With Donor Restrictions** – 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.

ICC reports contributions restricted by donors as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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. 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. ICC recognizes all unconditional contributed support in the period in which the commitment is made.

Use of Estimates

The preparation of financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures, as of 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, and those differences could be material.

Cash and Cash Equivalents

ICC considers all cash and highly liquid financial instruments with original maturities of three months or less that are neither held for nor restricted by donors for long - term purposes to be cash and cash equivalents.

Certificates of Deposit

ICC held multiple certificates of deposit totaling \$629,623 as of December 31, 2020. Such interest - bearing deposits in banks have original maturities greater than three months, with penalties for early withdrawal, and are classified as current assets when maturing in the next calendar year. In accordance with U.S. GAAP, interest is recorded when earned. Penalties for early withdrawal would not have a material effect on the financial statements.

Bequests Receivable

Bequests receivable are recognized as contribution revenue in the period ICC receives notification the court has found the will of the donor’s estate to be valid and all conditions have been substantially met. Bequests receivable are stated at the amount management expects to collect. Management provides for probable uncollectible amounts through a charge to earnings and a credit to the allowance for uncollectible bequests receivable based

INTERNATIONAL CHRISTIAN CONCERN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bequests Receivable (Continued)

on its assessment of the current status of individual balances. At December 31, 2020, bequests receivable are considered by management to be fully uncollectible based on pending court cases and, accordingly, bequests receivable are equal to the allowance for uncollectible pledges.

Investments and Fair Value of Financial Instruments

ICC records investment purchases at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the Statement of Financial Position. Interest and dividends on investment securities are reported as interest and dividend income on the accrual basis. Gains and losses realized on sales of investment securities represent the difference between net proceeds and the carrying value of individual investments.

Property and Equipment

ICC capitalizes all expenditures for property and equipment in excess of \$250 at cost, or if donated, at the approximate fair value at the date of the donation. Repairs and maintenance are expensed as incurred. Property and equipment are depreciated using the straight-line method over a predetermined estimated useful life of five years.

When assets are sold or otherwise disposed of, the cost and related depreciation is removed from the accounts, and any resulting gain or loss is included in the Statement of Activities and the Statement of Functional Expenses. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are charged to expense accounts when the expenses are paid, while significant renewals and betterments are capitalized. Deductions are made for retirements resulting from the renewals or betterments.

ICC reviews the carrying values of property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable from the estimated future cash flows expected to result from their use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended December 31, 2020.

Revenue Accounted for in Accordance with Contribution Accounting

Contributions are recognized when cash, securities, other assets, an unconditional pledge, or a notification of a beneficial interest is received. Conditional pledges (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 substantially met. When collected prior to satisfaction of donor restrictions, amounts are reported as refundable advances. All contributions are considered to be net assets without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor-restricted support that increases the net asset class.

Contributed property and equipment and other non-cash assets are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, ICC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

INTERNATIONAL CHRISTIAN CONCERN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

Volunteers contribute significant amounts of time to ICC's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria under U.S. GAAP. ICC records donated professional services at the respective fair values of the services received for donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. ICC's financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions; therefore, certain expenses require allocation where ICC can demonstrate direct conduct and direct supervision of programs or supporting activities that receive a benefit. Salaries and related costs, internet, office and administration, professional fees, and bank fees are allocated between program management and general, and fundraising based on percentages derived from each employee's time and effort.

Income Tax Status and Uncertain Tax Positions

ICC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"). ICC has been further classified as a public charity under Section 509(a)(1), and contributions to ICC are deductible for tax purposes under Section 170(b)(1)(A)(vi) of the Code. Income from activities not directly related to ICC's tax-exempt purpose is subject to taxation as unrelated business income. As of December 31, 2020, ICC does not have any unrelated business income subject to tax.

ICC accounts for uncertainties in income taxes in accordance with authoritative guidance, which prescribes a recognition threshold of more likely than not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. During the year ended December 31, 2020, ICC did not identify any uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Tax returns filed by ICC are subject to examination by the Internal Revenue Service for a period of three years. While no income tax returns are currently being examined by the Internal Revenue Service, tax years since 2017 remain open. ICC's policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in income tax expense on the Statement of Functional Expenses.

INTERNATIONAL CHRISTIAN CONCERN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

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

Financial assets available at fiscal year-end:	
Cash and cash equivalents	\$ 1,889,652
Receivables	272,360
Investments	634,751
Total financial assets available at year-end	2,796,763
Less:	
Net assets with donor restrictions not included in restricted cash	(492,808)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,303,955

ICC is supported by contributions and investment income. ICC invests all excess cash within its investment accounts, certificates of deposit, and money market accounts. ICC believes these funding sources, along with assets held at December 31, 2020, is sufficient to enable ICC to continue to operate for the upcoming year.

NOTE 4 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

ICC reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

- Level I – Quoted prices (unadjusted) in active markets for identical assets or liabilities as of the measurement date.
- Level II – Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level III – Unobservable inputs for the asset or liability. In these situations, unobservable inputs are developed using the best information available in the circumstances.

INTERNATIONAL CHRISTIAN CONCERN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to ICC’s assessment of the quality risk or liquidity profile of the asset or liability.

A portion of ICC’s investment assets are classified within Level I because they comprise common stock with readily determinable fair values based on daily redemption values. ICC invests in certificates of deposit traded in the financial markets. Those certificates of deposit are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level II.

The following table presents assets measured at fair value on a recurring basis as of December 31, 2020:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Assets:				
Common stock	\$ 5,128	\$ -	\$ -	\$ 5,128
Certificates of deposit	-	629,623	-	629,623
	<u>\$ 5,128</u>	<u>\$ 629,623</u>	<u>\$ -</u>	<u>\$ 634,751</u>

NOTE 5 – INVESTMENTS

Investments held by ICC at December 31, 2020, were as follows:

	<u>Cost</u>	<u>Unrealized Gain</u>	<u>Fair Market Value</u>
Common stock	\$ 938	\$ 4,190	\$ 5,128
Certificates of deposit	622,930	6,693	629,623
	<u>\$ 623,868</u>	<u>\$ 10,883</u>	<u>\$ 634,751</u>

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2020, consisted of the following:

Equipment	\$ 44,536
Furniture and fixtures	2,068
	<u>46,604</u>
Less accumulated depreciation	<u>(36,589)</u>
Net book value	<u>\$ 10,015</u>

INTERNATIONAL CHRISTIAN CONCERN, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 7 – COVID - 19 PANDEMIC AND RELATED GOVERNMENT PROGRAM

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act is designed to provide financial relief to the American people and American businesses in response to the economic fallout from COVID-19.

Paycheck Protection Program

On June 1, 2020, ICC obtained a loan of \$183,090 from its bank under the Small Business Administration (SBA)'s Paycheck Protection Program (PPP) as part of the CARES Act. On November 4, 2020, ICC applied for forgiveness of the full amount of the PPP loan. On January 4, 2021, ICC received a letter from its bank stating the full amount of the PPP loan forgiveness was approved and the debt obligation had been satisfied. In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 405-20, *Extinguishment of Liabilities*, income will not be recognized on this forgiveness of debt until legal release was received by ICC from its bank and the SBA. Therefore, income associated with debt forgiveness will be recognized during the year ending December 31, 2021.

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

The financial assistance that ICC receives comes from all sources and is restricted based on the donor intent. At the time that the donation is made, donors designate the use of their contributions towards various projects. At December 31, 2020, net assets with donor restrictions consisted of the following:

Description	December 31, 2019	Additions	Releases	December 31, 2020
Messengers, Underground Workers	\$ 6,773	\$ 131,562	\$ (109,236)	\$ 29,099
Gospel and Broadcasts	200,852	126,022	(186,146)	140,728
Rescue: Wives and Kids	28,549	499,181	(489,369)	38,361
Restore: Lives and Communities	-	711,490	(442,332)	269,158
Last Words of the Martyrs	8,740	6,722	-	15,462
	<u>\$ 244,914</u>	<u>\$ 1,474,977</u>	<u>\$ (1,227,083)</u>	<u>\$ 492,808</u>

NOTE 9 – EMPLOYEE BENEFIT PLAN

ICC operates a Section 403(b) plan that was established for the benefit of its employees. The voluntary plan is available to all employees who receive compensation for at least 20 hours of work per week, are 21 years of age, and have completed a service period of 90 days. Participants may elect to make contributions to the Plan which ICC matches to the amount equal to 50% of the participant's salary reduction contributions which are not in excess of 3% of the participant's compensation. ICC also provides discretionary contributions to plan participants' accounts at the discretion of the Board of Directors. For the year ended December 31, 2020, the employer contribution was \$16,879.

INTERNATIONAL CHRISTIAN CONCERN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Concentration of Credit Risk

ICC maintains its cash, cash equivalents, certificates of deposit, and investment balances at various financial institutions. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC) up to specified limits by each institution. As times, the balances may exceed these insurance limits; however, ICC has not experienced any losses with respect to its balances in excess of FDIC or SIPC insurance. Management believes that no significant concentration of credit risk exists at December 31, 2020.

Operating Lease – Office Lease

On March 17, 2015, ICC entered into an office space lease agreement for a term of five years that expired on April 30, 2020. The lease agreement was amended on April 21, 2020, which extended the lease agreement through October 31, 2020. The lease calls for a yearly 3 percent base rent escalation. The monthly base rent was \$11,597 for the period May 1, 2019, through April 30, 2020, and \$11,945 from May 1, 2020, through October 31, 2020. Rent expense incurred under the lease was \$124,649 for the year ended December 31, 2020.

In September 2020, ICC entered into a sublease for office space with a commencement date of October 1, 2020, for an initial term of three years that expires on November 30, 2023. Under the terms of the sublease, ICC is required to maintain a security deposit in the amount of \$8,406 with the landlord. Per the agreement, ICC receives a rent abatement for the first two months of the sublease term and then must pay monthly installments of \$8,406 during the next ten months, after which rent increases annually at 2 percent each year for the remainder of the sublease term. Rent expense incurred under the lease was \$8,406 for the year ended December 31, 2020.

Future annual minimum lease payments are as follows as of December 31, 2020:

For the years ending December 31,		
2021	\$	101,367
2022		103,404
2023		<u>96,551</u>
	\$	<u><u>301,322</u></u>

Litigation

In the ordinary course of business, ICC may be involved in litigation, claims or assessments. In the opinion of management, the result of these litigation or claims will not have a materially adverse impact on the financial statements.

INTERNATIONAL CHRISTIAN CONCERN, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 – SUBSEQUENT EVENTS

In preparing the financial statements, ICC has evaluated events and transactions for potential recognition or disclosure through July 6, 2021, the date the financial statements were available to be issued, and determined the following items for disclosure:

Ongoing Operations amid the COVID-19 Pandemic

ICC cannot reasonably estimate the length or severity of the pandemic, or the extent to which the disruption may materially impact ICC's financial position, changes in net assets, or cash flows in 2021.

New Legislation for Financial Assistance amid the COVID-19 Pandemic

On December 27, 2020, the Consolidated Appropriations Act (the Act) was signed into law. The Act included many provisions that will have a positive impact on ICC's activities in 2021 to offset losses amid the COVID-19 pandemic. ICC is still considering the overall impact of the legislation that includes, but is not limited to, PPP second-draw loans and the employer retention credit.