

Financial Statements

Idaho Nonprofit Center, Inc.
(a nonprofit organization)
Years Ended December 31, 2021 and 2020



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Idaho Nonprofit Center, Inc.
Boise, Idaho

Independent Accountant's Review Report

We have reviewed the accompanying financial statements of Idaho Nonprofit Center, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Idaho Nonprofit Center, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.





Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed Idaho Nonprofit Center, Inc.'s December 31, 2020 financial statements and in our report dated August 17, 2021, stated that based on our procedures, we were not aware of any material modifications that should be made to the December 31, 2020 financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2020 for it to be consistent with the reviewed financial statements from which it has been derived.

Harris CPAs

Meridian, Idaho
September 20, 2022



IDAHO NONPROFIT CENTER, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021
With Comparative Totals as of December 31, 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 315,121	\$ 362,753
Certificates of deposit	150,364	125,063
Accounts receivable	16,785	285
Prepaid expenses	<u>2,399</u>	<u>0</u>
Total Current Assets	484,669	488,101
Equipment, net	1,839	2,779
Deposits	<u>1,034</u>	<u>1,034</u>
Total Assets	<u>\$ 487,542</u>	<u>\$ 491,914</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 20,766	\$ 10,288
Accrued and withheld payroll costs	17,576	15,923
Deferred revenue	<u>12,500</u>	<u>0</u>
Total Current Liabilities	50,842	26,211
Long-Term Liabilities		
Long-term debt	<u>0</u>	<u>25,000</u>
Total Liabilities	50,842	51,211
Net Assets		
Without donor restrictions	415,929	415,012
With donor restrictions	<u>20,771</u>	<u>25,691</u>
Total Net Assets	<u>436,700</u>	<u>440,703</u>
Total Liabilities and Net Assets	<u>\$ 487,542</u>	<u>\$ 491,914</u>

See accompanying notes and independent accountants' review report.

IDAHO NONPROFIT CENTER, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Revenue and Support				
Membership dues	\$ 132,358	\$	\$ 132,358	\$ 113,817
Grants	10,000	151,594	161,594	323,143
Pledges and contributions	144,482	41,130	185,612	195,012
Registration fees	99,649		99,649	95,144
In-kind	51,971		51,971	39,141
Other	548		548	788
	439,008	192,724	631,732	767,045
Net assets released from restrictions	<u>197,644</u>	<u>(197,644)</u>	<u>0</u>	<u>0</u>
Total Revenue and Support	636,652	(4,920)	631,732	767,045
Expenses				
Program services				
Idaho Gives	127,786		127,786	181,668
Conference	69,273		69,273	42,230
Training	58,321		58,321	58,236
Member services	44,535		44,535	30,728
Other programs	<u>128,167</u>		<u>128,167</u>	<u>117,059</u>
Total Program Services	428,082	0	428,082	429,921
Supporting service				
Fundraising	90,985		90,985	27,853
Administrative	<u>116,668</u>		<u>116,668</u>	<u>153,765</u>
Total Supporting Services	<u>207,653</u>	<u>0</u>	<u>207,653</u>	<u>181,618</u>
Total Expenses	<u>635,735</u>	<u>0</u>	<u>635,735</u>	<u>611,539</u>
Change in Net Assets	917	(4,920)	(4,003)	155,506
Net Assets				
Beginning of Year	<u>415,012</u>	<u>25,691</u>	<u>440,703</u>	<u>285,197</u>
End of Year	<u>\$ 415,929</u>	<u>\$ 20,771</u>	<u>\$ 436,700</u>	<u>\$ 440,703</u>

See accompanying notes and independent accountants' review report.

IDAHO NONPROFIT CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	Program Services					Supporting Services			2021 Total	2020 Total	
	Idaho Gives	Conference	Training	Member Services	Other Programs	Total Program	Fundraising	Admin			Total Support
Salaries and wages	\$ 31,937	\$ 32,863	\$ 31,086	\$ 27,436	\$ 83,372	\$ 206,694	\$ 34,931	\$ 49,301	\$ 84,232	\$ 290,926	\$ 299,709
Professional fees	16,888	12,870	10,855	4,680	24,768	70,061	8,365	35,272	43,637	113,698	68,399
In-kind donations		11,654	9,910		2,698	24,262	26,260	1,450	27,710	51,972	39,141
Idaho Gives award	39,700					39,700			0	39,700	60,277
Office	7,489	4,912	2,120	2,191	5,944	22,656	3,398	9,241	12,639	35,295	37,615
Advertising	25,426	250	30		250	25,956	8,668	360	9,028	34,984	36,136
Payroll taxes	2,070	2,094	1,910	3,959	5,958	15,991	1,775	397	2,172	18,163	22,983
Rent	1,806	1,806	1,806	1,478	4,762	11,658	1,971	2,793	4,764	16,422	16,813
Dues and publications				4,639		4,639		3,700	3,700	8,339	6,904
Other expenses	2,467					2,467	480	4,942	5,422	7,889	7,977
Facilities and catering		2,824				2,824	4,823		4,823	7,647	4,175
Travel	3		604	152	415	1,174	314	2,475	2,789	3,963	5,229
Insurance						0		3,298	3,298	3,298	3,079
Staff development						0		2,499	2,499	2,499	2,125
Depreciation						0		940	940	940	977
Total Expenses	\$ 127,786	\$ 69,273	\$ 58,321	\$ 44,535	\$ 128,167	\$ 428,082	\$ 90,985	\$ 116,668	\$ 207,653	\$ 635,735	\$ 611,539

See accompanying notes and independent accountants' review report.

IDAHO NONPROFIT CENTER, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2021
With Comparative Totals for the Year Ended December 31, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (4,003)	\$ 155,506
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	940	977
Changes in operating assets and liabilities:		
Accounts receivable	(16,500)	4,345
Prepaid expenses	(2,399)	3,558
Accounts payable	10,478	5,025
Accrued and withheld payroll costs	1,653	(277)
Deferred revenue	<u>12,500</u>	<u>0</u>
Net Cash Provided (Used) by Operating Activities	2,669	169,134
Cash Flows From Investing Activities		
Purchase of investments	<u>(25,301)</u>	<u>(125,063)</u>
Cash Flows From Financing Activities		
Proceeds from debt	0	25,000
Repayments of debt	<u>(25,000)</u>	<u>0</u>
Net Cash Provided (Used) by Financing Activities	(25,000)	25,000
Net Change in Cash and Cash Equivalents	(47,632)	69,071
Cash and Cash Equivalents, Beginning of Year	<u>362,753</u>	<u>293,682</u>
Cash and Cash Equivalents, End of Year	<u>\$ 315,121</u>	<u>\$ 362,753</u>

See accompanying notes and independent accountants' review report.

IDAHO NONPROFIT CENTER, INC. NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Nature of Center

Idaho Nonprofit Center, Inc. (the Center), is a not-for-profit corporation organized to provide resources to build strong and accountable nonprofits and a platform to rally public involvement and gain support for the nonprofit sector.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Center reports net assets and revenues, expenses, gains and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

Cash and Cash Equivalents

The Center considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject the union to significant concentrations of credit risk consist of cash and temporary cash investments. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per institution. The uninsured balances at December 31, 2021 totaled \$64,715. At December 31, 2020, the Center had no uninsured balances.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

IDAHO NONPROFIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable consist of trade receivables. All receivables are non-interest bearing. As of December 31, 2021 and 2020, management determined all accounts are collectible and there is no need for an allowance for doubtful accounts.

Equipment

Equipment is stated at cost or, if donated, at the estimated fair market value at the date of donation. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to seven years. The Center's policy is to capitalize assets with a value of at least \$1,000.

Fair Value

The Center uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Compensated Absences

Accrued liabilities include amounts for vacation days, which are earned ratably during the year based upon length of employment. Accrued vacation at December 31, 2021 and 2020 was \$8,788 and \$7,886, respectively, and is included in accrued and withheld payroll costs on the statement of financial position.

IDAHO NONPROFIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition

Membership dues, which are nonrefundable, are an exchange transaction based on the value of benefits provided. The Center recognizes membership dues over the membership period. The performance obligation consists of providing members continuous access to a network of over 600 nonprofits and business affiliates, and is recognized ratably as services are simultaneously received and consumed by the members. Registration fee revenue is recognized when the event takes place and typically contains a single performance obligation.

Deferred Revenue

Sponsorship revenue received in advance is deferred until the event occurs.

In-Kind Contributions

The Center receives in-kind contributions of advertising, professional services, conference facilities and equipment and furniture. The in-kind contributions are recognized as revenues when received and as expenditures when the resources are consumed.

Contributions and Donor Imposed Restrictions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, 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 restriction.

Contributed Services

A number of volunteers have contributed significant amounts of their time to the Center's programs and activities. No amounts have been reflected in the financial statements for those services.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. Salaries and wages are allocated on the basis of estimates of time and effort. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Center.

IDAHO NONPROFIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Advertising

The Center expenses advertising as costs are incurred. Total advertising expense was \$36,927 and \$43,336 for the years ended December 31, 2021 and 2020, respectively. At December 31, 2021, the Center received no in-kind donations for advertising. Total advertising for the year ended December 31, 2020, includes in-kind donations of advertising of \$6,950.

Income Taxes

The Center is a not-for-profit Center that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for 2021 and 2020.

The Center files Form 990 in the U.S. federal jurisdiction. The Center is generally no longer subject to examination by the Internal Revenue Service for years before 2018.

Presentation of Certain Taxes

The Center collects various taxes from customers and remits these amounts to applicable taxing authorities. The Center's accounting policy is to exclude these taxes from revenues and expenses.

IDAHO NONPROFIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Comparative Data

The amounts shown for the year ended December 31, 2020, in the accompanying financial statements are included to provide a basis for comparison with 2021 and present summarized totals only. Accordingly, the 2020 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Center's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Subsequent Events

The Center has evaluated subsequent events through September 20, 2022, which is the date the financial statements were available to be issued.

Note B – Liquidity and Availability of Resources

The Center's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 315,121
Certificates of deposit	150,364
Accounts receivable	<u>16,785</u>
Total financial assets available within one year	482,270
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	<u>(20,771)</u>
Total financial assets available within one year after restriction	<u>\$ 461,499</u>

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2021, all net assets without donor restrictions are available for payment of (any major expenditures incurred), except for contributions receivable which are available when the receivable is collected which is expected within the next year and the expenditure is incurred.

IDAHO NONPROFIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note C – Certificates of Deposit

At December 31, 2021 and 2020, the Center had certificates of deposit totaling \$150,364 and \$125,063, respectively. Those certificates were for various terms ranging between six months and 1 year (maturity dates through March 2022) and annual interest rates from .20% to .25%. These certificates are not readily convertible into cash within ninety (90) days of purchase and are not considered to be cash equivalents. Any penalties for early withdrawal would not have a material effect on the financial statements. The Center's investments held in certificates of deposits are actively traded and have been valued using unadjusted quoted prices for identical assets in active markets and are considered Level 1 assets.

Note D – Net Assets

The Center receives donated money specifically for Idaho Gives, which the Center then disburses directly to other qualified nonprofits in the state of Idaho. The Center also receives grants that are restricted for a specific purpose. The detail of the Center's net asset categories at December 31, is as follows:

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions	\$ 415,929	\$ 415,012
With donor restrictions:		
Grants with purpose restrictions	20,000	25,000
Idaho Gives award pool	<u>771</u>	<u>691</u>
Total with donor restrictions	<u>20,771</u>	<u>25,691</u>
Total net assets	<u>\$ 436,700</u>	<u>\$ 440,703</u>

IDAHO NONPROFIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note E – Equipment

At December 31, equipment consisted of the following:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 7,578	\$ 7,578
Accumulated depreciation	<u>(5,739)</u>	<u>(4,799)</u>
	<u>\$ 1,839</u>	<u>\$ 2,779</u>

For the years ended December 31, 2021 and 2020, the Center recognized \$940 and \$977 in depreciation expense, respectively.

Note F – Economic Injury Disaster Loan

On June 20, 2020, the Center received loan proceeds in the amount of \$25,000 under the Economic Injury Disaster Loan (“EIDL”) program administered by a Small Business Administration (SBA) approved partner. The loan required monthly principal and interest payments beginning June 2021 and was set to mature June 2050. Interest accrued at a fixed rate of 2.75%. The EIDL loan was repaid in full during the year ended December 31, 2021.

Note G – In-Kind Donations and Services

Non-cash donations and services are included in in-kind revenue in the financial statements consisted of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Professional services	\$ 36,468	\$ 21,830
Goods	15,503	8,461
Advertising	0	6,950
Facilities	<u>0</u>	<u>1,900</u>
Total	<u>\$ 51,971</u>	<u>\$ 39,141</u>

IDAHO NONPROFIT CENTER, INC.
NOTES TO FINANCIAL STATEMENTS

Note H – Operating Leases

The Center has an operating lease for office space which expires December 31, 2028. Total rent for the operating lease was \$16,707 and \$15,128 for the years ended December 31, 2021 and 2020, respectively. The lease terms also include the option to charge common area maintenance fees. These are set by the landlord and fluctuate from year to year. The Center has an operating lease for office equipment that expired in August 2021. The total lease expense for office equipment was \$3,908 and \$2,774 for the years ended December 31, 2021 and 2020, respectively.

The following summarizes the remaining future minimum payments required under all leases:

2022	\$	18,332
2023		18,885
2024		19,457
2025		20,030
2026		20,624
Thereafter		<u>43,150</u>
	\$	<u>140,478</u>

Note I – Paycheck Protection Program Loan

On April 14, 2020, the Center received loan proceeds in the amount of \$50,143 under the Paycheck Protection Program (“PPP”). The PPP was established under the Coronavirus Aid, Relief and Economic Security Act, as amended (“CARES Act”) and is administered by the U.S. Small Business Administration (“SBA”). Under the terms of the CARES Act, PPP loan recipients can apply for loan forgiveness. The potential loan forgiveness for all or a portion of PPP loans is determined, subject to limitations, based on the use of loan proceeds over the 24-weeks after the loan proceeds are disbursed for payment of payroll costs and any payments of mortgage interest, rent, and utilities. The amount of loan forgiveness will be reduced if PPP loan recipients terminate employees or reduce salaries during the covered period. The unforgiven portion of our PPP Loan, if any, is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months, beginning on August 14, 2021.

The Center was notified by their bank that the SBA had granted forgiveness on the PPP loan based on their application effective November 25, 2020, in the amount of \$50,143.