

Financial Statements

Idaho Conservation League, Inc.
(a nonprofit organization)
Years Ended September 30, 2021 and 2020



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Idaho Conservation League, Inc.
Boise, Idaho

We have audited the accompanying financial statements of Idaho Conservation League, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 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.

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.

Auditors' 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 auditors' 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

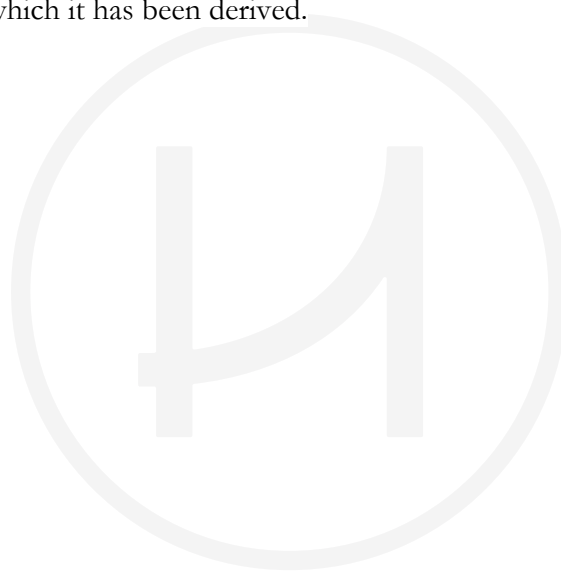
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Idaho Conservation League, Inc. as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Idaho Conservation League, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 23, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harris CPA's

Meridian, Idaho
January 26, 2022



IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2021
With Comparative Totals as of September 30, 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 378,488	\$ 850,499
Investments	2,982,307	1,992,759
Unconditional promises to give	84,309	48,868
Grants receivable	177,005	56,570
Prepaid expenses and other assets	<u>27,877</u>	<u>32,373</u>
Total Current Assets	3,649,986	2,981,069
Other Assets		
Endowment		
Investments		
With donor restrictions	2,295,779	2,169,730
Board designated	<u>2,254,895</u>	<u>1,501,271</u>
Total Investments	4,550,674	3,671,001
Cash and cash equivalents, board designated	205,380	322,090
Accrued interest, board designated	4,766	4,425
Unconditional promises to give, net -		
With donor restrictions	<u>22,900</u>	<u>22,901</u>
Total Endowment	4,783,720	4,020,417
Unconditional promises to give, net	4,026	13,539
Security deposits	3,622	0
Property and equipment, net	<u>456,657</u>	<u>478,659</u>
Total Other Assets	<u>5,248,025</u>	<u>4,512,615</u>
Total Assets	<u>\$ 8,898,011</u>	<u>\$ 7,493,684</u>

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF FINANCIAL POSITION (Continued)
September 30, 2021
With Comparative Totals as of September 30, 2020

	<u>2021</u>	<u>2020</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 29,584	\$ 9,137
Accrued and withheld payroll costs	76,755	117,337
Funds held in custody for others	0	81,985
Refundable advance	<u>290,575</u>	<u>280,000</u>
Total Current Liabilities	396,914	488,459
Net Assets		
Without donor restrictions	6,016,149	4,569,594
With donor restrictions	<u>2,484,948</u>	<u>2,435,631</u>
Total Net Assets	<u>8,501,097</u>	<u>7,005,225</u>
Total Liabilities and Net Assets	<u>\$ 8,898,011</u>	<u>\$ 7,493,684</u>

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>2020 Total</u>
Revenues and Other Support				
Contributions	\$ 1,263,728	\$ 126,048	\$ 1,389,776	\$ 1,231,546
Climate campaign contributions	101,528		101,528	1,553
Grants	550,704	527,035	1,077,739	798,789
Special events	6,311		6,311	73,509
Investment income	922,059		922,059	507,759
CARES Act income	280,000		280,000	0
Miscellaneous income	7,509		7,509	8,411
	<u>3,131,839</u>	<u>653,083</u>	<u>3,784,922</u>	<u>2,621,567</u>
Net assets released from restrictions	<u>603,766</u>	<u>(603,766)</u>	<u>0</u>	<u>0</u>
 Total Revenue And Support	 3,735,605	 49,317	 3,784,922	 2,621,567
Expenses				
Program services				
Public lands	511,513		511,513	496,133
Climate	350,536		350,536	319,388
Snake river	234,988		234,988	259,049
Salmon/Steelhead	346,021		346,021	244,163
Other programs	<u>389,052</u>		<u>389,052</u>	<u>248,757</u>
 Total Program Services	 1,832,110		 1,832,110	 1,567,490
Supporting services				
Administrative	225,843		225,843	339,654
Fundraising	<u>231,097</u>		<u>231,097</u>	<u>207,070</u>
 Total Supporting Services	 <u>456,940</u>	 <u>0</u>	 <u>456,940</u>	 <u>546,724</u>
 Total Expenses	 <u>2,289,050</u>	 <u>0</u>	 <u>2,289,050</u>	 <u>2,114,214</u>
 Change in Net Assets	 1,446,555	 49,317	 1,495,872	 507,353
Net Assets				
Beginning of Year	<u>4,569,594</u>	<u>2,435,631</u>	<u>7,005,225</u>	<u>6,497,872</u>
End of Year	<u>\$ 6,016,149</u>	<u>\$ 2,484,948</u>	<u>\$ 8,501,097</u>	<u>\$ 7,005,225</u>

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2021

With Comparative Totals for the Year Ended September 30, 2020

	<u>Program Services</u>					<u>Administration</u>	<u>Fundraising</u>	<u>2021 Total</u>	<u>2020 Total</u>
	<u>Public Lands</u>	<u>Climate</u>	<u>Snake River</u>	<u>Salmon/Steelhead</u>	<u>Other Program Work</u>				
Salaries and wages	\$ 350,463	\$ 261,640	\$ 165,725	\$ 176,525	\$ 83,994	\$ 111,538	\$ 172,805	\$ 1,322,690	\$ 1,301,620
Employee benefits and taxes	81,005	60,376	38,280	40,677	19,336	9,167	39,854	288,695	292,734
Program and events	24,206	23,804	12,107	35,348	121,932	246	1,055	218,698	166,951
Professional services	29,320	3,181	16,167	55,852	17,741	28,086	16,568	166,915	117,598
Printing and publications	5,451	35	651	11,913	59,139	10		77,199	45,686
Advertising	3,976	317	266	13,677	15,112			33,348	17,465
Postage	613		27	3,438	16,445	8,748	304	29,575	18,180
Depreciation						25,558		25,558	28,128
Travel and Meetings	5,359	417	1,345	5,494	9,981	103	46	22,745	35,584
Utilities	493				9,345	8,952		18,790	17,496
Credit card fees	292			22	8,635	6,030		14,979	11,722
Insurance						11,786		11,786	11,812
Supplies	3,265	189	16	780	4,395	912		9,557	10,249
Equipment costs	179		53		200	4,288		4,720	4,188
Food and beverages	469	57	51	194	3,044	99	155	4,069	5,153
Special event expenses								0	7,364
Other	<u>6,422</u>	<u>520</u>	<u>300</u>	<u>2,101</u>	<u>19,753</u>	<u>10,320</u>	<u>310</u>	<u>39,726</u>	<u>22,284</u>
	<u>\$ 511,513</u>	<u>\$ 350,536</u>	<u>\$ 234,988</u>	<u>\$ 346,021</u>	<u>\$ 389,052</u>	<u>\$ 225,843</u>	<u>\$ 231,097</u>	<u>\$ 2,289,050</u>	<u>\$ 2,114,214</u>

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 1,495,872	\$ 507,353
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	25,558	28,128
Loss on disposal of assets	272	402
Realized loss (gain) on sale of investments	(159,581)	49,767
Unrealized loss (gain) on investments	(699,846)	(476,286)
Donations to endowment	(136,048)	(223,300)
Changes in operating assets and liabilities:		
Unconditional promises to give	(146,363)	202,694
Prepaid expenses and other assets	4,496	(12,048)
Accounts payable	20,673	(26,025)
Accrued and withheld payroll costs	(40,582)	23,559
Other accrued liabilities	(226)	(327)
Funds held in custody for others	(81,985)	0
Security deposits	(3,622)	0
Refundable advance	<u>10,575</u>	<u>280,000</u>
Net Cash Provided (Used) by Operating Activities	289,193	353,917
Cash Flows From Investing Activities		
Purchase of property and equipment	(3,828)	(26,697)
Purchase of investments	(1,889,427)	(1,473,016)
Proceeds from sale of investments	<u>879,293</u>	<u>1,022,840</u>
Net Cash Provided (Used) by Investing Activities	(1,013,962)	(476,873)
Cash Flows From Financing Activities		
Donations to endowment	<u>136,048</u>	<u>223,300</u>
Net Change in Cash and Cash Equivalents	(588,721)	100,344
Cash and Cash Equivalents - Beginning of Year	<u>1,172,589</u>	<u>1,072,245</u>
Cash and Cash Equivalents - End of Year	<u>\$ 583,868</u>	<u>\$ 1,172,589</u>

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF CASH FLOWS (Continued)
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	<u>2021</u>	<u>2020</u>
Reconciliation of Cash and Restricted Cash Balances:		
Cash	\$ 378,488	\$ 850,499
Endowment – Restricted Cash	<u>205,380</u>	<u>322,090</u>
 Total Cash and Restricted Cash Balance	 <u>\$ 583,868</u>	 <u>\$ 1,172,589</u>

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies

Nature of Organization

Idaho Conservation League, Inc. (League) is a not-for-profit corporation. The League's purpose is to preserve Idaho's clean water, wilderness and quality of life through a network of local citizens and advocacy. The League maintains four offices in Idaho including one in Boise, Ketchum, Sandpoint, and McCall. The League's support comes from grants from private foundations, members' dues, patron support, and other donations.

Basis of Accounting

The financial statements of the League 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 League 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 Equivalents

The League considers all unrestricted, 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 League to significant concentrations of credit risk consist principally of cash investments. Accounts at these financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000 and the Securities Investor Protection Corporation for up to \$500,000. At September 30, 2021 and 2020, the League's uninsured balances total \$7,714,652 and \$6,166,241, respectively.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities 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 donors are reported as increases in net assets without donor restrictions if the restrictions are met (either stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Promises to Give

Campaign contributions are generally available for unrestricted use in the year raised unless specifically restricted by the donor. Unconditional promises to give are recorded when pledged. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using the League's expected borrowing rate applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided based on management's evaluation of potentially uncollectible promises receivable at year end.

Fair Value

The League defines fair value and establishes a hierarchy for reporting the reliability of input measurements 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 statements of financial position, which approximates fair value due to their short term, highly liquid nature.

Property and Equipment

Property and 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 that cost over \$2,500 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 thirty-five years.

Compensated Absences

Accrued liabilities include amounts for vacation days, which are earned ratably during the year based upon length of employment.

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.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

Contributed Services

A number of volunteers have contributed their time to the League's programs and activities. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

In-kind Contributions

The League receives in-kind contributions consisting of investments, rent and other property. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

Advertising

The League expenses advertising costs as incurred. Total advertising expense was \$33,348 and \$17,465 for the years ended September 30, 2021 and 2020, respectively.

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. The expenses that are allocated are salaries and wages, which are allocated on the basis of estimates of time and effort; and supplies and telephone costs, which are allocated based on usage studies conducted annually. 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 League.

Presentation of Certain Taxes

The League collects various taxes from customers and remits these amounts to applicable taxing authorities. The League's accounting policy is to exclude these taxes from revenues and cost of sales.

Income Tax Status

The League is exempt from income tax 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. The League is not a private foundation.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

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 League 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 fiscal years 2021 or 2020.

The League files Form 990 in the U.S. federal jurisdiction. The League is generally no longer subject to examination by the Internal Revenue Service for years before 2017.

Use of Estimates

The League 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.

Prior Year Comparative Totals

The financial statements include certain 2020 summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the 2020 financial statements from which the summarized information was derived.

Reclassifications

Certain amounts for the year ended September 30, 2020 have been reclassified to conform to the current year presentation. These reclassifications had no effect on the change in net assets for the year ended September 30, 2020.

Subsequent Events

The Company has evaluated subsequent events through January 26, 2022, which is the date the financial statements were available to be issued.

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note B – Liquidity and Availability of Resources

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

Cash and cash equivalents	\$	583,868
Grants and contributions receivable		288,240
Investments		7,532,981
Interest receivable		<u>6,669</u>
Total financial assets available within one year		8,411,758
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose restrictions		(2,484,948)
Receivables scheduled to be collected in more than one year		(17,026)
Board designations		<u>(2,465,041)</u>
Total amounts unavailable for general expenditures within one year		<u>(4,967,015)</u>
Total financial assets available within one year after restriction	\$	<u><u>3,444,743</u></u>

As part of the League'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 September 30, 2021, all net assets without donor restrictions are available for payment of (any major expenditures incurred), except for contributions and grants receivable which are available when the receivable is collected which is expected within the next year and the expenditure is incurred. Board designated amounts could be drawn upon to meet immediate cash needs by vote of the board of directors.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note C – Fair Value of Assets and Liabilities

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets. |
| Level 2 | Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value instrument. |

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The League's investments are actively traded and measured on a daily basis using Level 1 inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the League believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note C – Fair Value of Assets and Liabilities (Continued)

The following table sets forth by level, within the fair value hierarchy, the League’s investments at fair value measured on a recurring basis as of September 30, 2021:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 2,555,215	\$ 2,555,215	\$ 0	\$ 0
Mutual funds	569,512	569,512		
Bond funds	2,135,795	2,135,795		
Fixed income	<u>2,272,459</u>	<u>2,272,459</u>		
	<u>\$ 7,532,981</u>	<u>\$ 7,532,981</u>	<u>\$ 0</u>	<u>\$ 0</u>

The following table sets forth by level, within the fair value hierarchy, the League’s investments at fair value measured on a recurring basis as of September 30, 2020:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 1,805,998	\$ 1,805,998	\$ 0	\$ 0
Mutual funds	452,834	452,834		
Debt securities	13,425	13,425		
Bond funds	1,369,456	1,369,456		
Fixed income	<u>2,022,047</u>	<u>2,022,047</u>		
	<u>\$ 5,663,760</u>	<u>\$ 5,663,760</u>	<u>\$ 0</u>	<u>\$ 0</u>

Note D – Investments

Investments as of September 30 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Cost	\$ 5,626,266	\$ 4,456,891
Unrealized gain	<u>1,906,715</u>	<u>1,206,869</u>
Fair value	<u>\$ 7,532,981</u>	<u>\$ 5,663,760</u>

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note D – Investments (Continued)

Investment income consists of the following for the years ended September 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 102,372	\$ 115,070
Realized gain (loss)	159,581	(49,767)
Unrealized gain (loss)	699,846	476,286
Investment expense	<u>(39,740)</u>	<u>(33,830)</u>
	<u>\$ 922,059</u>	<u>\$ 507,759</u>

Note E – Unconditional Promises to Give

Unconditional promises to give as of September 30 are as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 97,309	\$ 61,868
Receivable in one to five years	<u>21,655</u>	<u>33,227</u>
Total unconditional promises to give	118,964	95,095
Less discounts to net present value	(833)	(1,278)
Less allowance for uncollectible promises	<u>(6,896)</u>	<u>(8,509)</u>
Net unconditional promises to give	111,235	85,308
Less portion included in the endowment	(22,900)	(22,901)
Less current unconditional promises to give	<u>(84,309)</u>	<u>(48,868)</u>
Long-term unconditional promises to give	<u>\$ 4,026</u>	<u>\$ 13,539</u>

The discount rate used on long-term promises to give was 4%.

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note F – Property and Equipment

At September 30, property and equipment consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 100,000	\$ 100,000
Buildings and improvements	678,191	678,191
Furniture and equipment	<u>61,791</u>	<u>71,948</u>
	839,982	850,139
Less accumulated depreciation	<u>383,325</u>	<u>371,480</u>
	<u>\$ 456,657</u>	<u>\$ 478,659</u>

Note G – Funds held in Custody of Other

Funds held in custody of others consisted of funds that were received on behalf of a local government in Idaho who was awarded these funds as a result of a legal settlement relating to mine restoration. These funds are to be held until the agency is ready to complete the mine restoration project and then will be disbursed to them in accordance with the settlement agreement. As of 2021, the project was completed and funds were disbursed. Funds held in custody of others totaled \$0 and \$81,985 at September 30, 2021 and 2020, respectively.

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note H – Refundable Advance

On April 12, 2020, the League received loan proceeds in the amount of \$280,000 under the Paycheck Protection Program (“PPP”) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The League is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The League has initially recorded the loan as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP loan or when such conditions are explicitly waived. Proceeds from the loan are eligible for forgiveness if the League maintains employment levels during its 24-week covered period and uses the funds for certain payroll, rent, and utility expenses. On February 8, 2021 the League was notified by their bank that the SBA had granted forgiveness on the PPP loan based on their application effective December 23, 2020 in the amount of \$280,000 and \$1,948 of accrued interest. Forgiven amount was recognized in revenue for year ended September 30, 2021.

On February 26, 2021, the League received a second loan with proceeds in the amount of \$209,575 under the Paycheck Protection Program (“PPP”) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The loan bears interest at 1% and is due February 2026. The League is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Proceeds from the loan are eligible for forgiveness if the League maintains employment levels during its 24-week covered period and uses the funds for certain payroll, rent, and utility expenses. The League initially recorded the loan as a refundable advance in accordance with guidance for conditional contributions. As of the date of these financial statements the League has not yet applied for forgiveness.

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note I – Net Assets

The detail of the League’s net asset categories at September 30, is as follows:

	<u>2021</u>	<u>2020</u>
Without donor restrictions:		
Invested in property and equipment	\$ 456,657	\$ 478,659
Board designated for endowment	2,465,041	1,827,786
Undesignated surplus	<u>3,094,451</u>	<u>2,263,149</u>
Total without donor restrictions	6,016,149	4,569,594
With donor restrictions:		
Net assets with purpose restrictions:		
Public lands	120,435	68,000
Salmon/Steelhead	0	175,000
Climate	45,834	0
Endowment funds	<u>2,318,679</u>	<u>2,192,631</u>
Total with donor restrictions	<u>2,484,948</u>	<u>2,435,631</u>
Total net assets	<u>\$ 8,501,097</u>	<u>\$ 7,005,225</u>

Note J – Endowment

The League’s endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments established for the purpose of providing income to support the League’s activities. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The League classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment.

Donor restricted endowment funds are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the League in a manner consistent with the standard of prudence described by the Idaho Uniform Prudent Management of Institutional Funds Act (UPMIFA). In accordance with UPMIFA, the organization considers the investment policy of the League in making a determination to appropriate or accumulate donor-restricted endowment funds.

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note J – Endowment (Continued)

Endowment Net Asset Composition by Type of Fund as of September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 0	\$ 2,318,679	\$ 2,318,679
Board-designated endowment funds	<u>2,465,041</u>	<u>0</u>	<u>2,465,041</u>
	<u>\$ 2,465,041</u>	<u>\$ 2,318,679</u>	<u>\$ 4,783,720</u>

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,827,786	\$ 2,192,631	\$ 4,020,417
Board authorized distribution to League	(48,000)		(48,000)
Interest income, net of investment expense	31,165		31,165
Net appreciation (realized and unrealized)	644,090		644,090
Contributions	<u>10,000</u>	<u>126,048</u>	<u>136,048</u>
Change in Endowment	<u>637,255</u>	<u>126,048</u>	<u>763,303</u>
Endowment net assets, end of year	<u>\$ 2,465,041</u>	<u>\$ 2,318,679</u>	<u>\$ 4,783,720</u>

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note J – Endowment (Continued)

Endowment Net Asset Composition by Type of Fund as of September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 0	\$ 2,192,631	\$ 2,192,631
Board-designated endowment funds	<u>1,827,786</u>	<u>0</u>	<u>1,827,786</u>
	<u>\$ 1,827,786</u>	<u>\$ 2,192,631</u>	<u>\$ 4,020,417</u>

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,533,957	\$ 1,753,421	\$ 3,287,378
Board authorized distribution To League	(73,419)		(73,419)
Interest income, net of investment expense	40,622		40,622
Net appreciation (realized and unrealized)	326,626		326,626
Reclassification of net assets, donor designation		226,510	226,510
Contributions	<u> </u>	<u>212,700</u>	<u>212,700</u>
Change in Endowment	<u>293,829</u>	<u>439,210</u>	<u>733,039</u>
Endowment net assets, end of year	<u>\$ 1,827,786</u>	<u>\$ 2,192,631</u>	<u>\$ 4,020,417</u>

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note J – Endowment (Continued)

Funds With Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the League to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. As of September 30, 2021 and 2020 there were no such deficiencies.

Return Objectives and Risk Parameters

The League has adopted investment and spending policies for endowment assets that attempt to preserve capital at the same time as providing a return from capital appreciation and current income. Endowment assets include those assets of donor-restricted funds that the League must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that preserve, to the extent possible, consistent with the endowment spending levels the inflation adjusted value of the Endowment assets over the long term. The League expects its endowment funds, over time, to provide an average rate of return of approximately 3 to 5% in excess of inflation annually. Actual returns in any given year may vary from this amount.

Strategies Employed For Achieving Objectives

To satisfy its long-term rate-of-return objectives, the League relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current income (interest and dividends). The League targets a diversified asset allocation, preferably consisting of 60% equities and 40% fixed income and cash and cash equivalents to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Each year, the League appropriates all endowment investment earnings into the board designated endowment fund. The League's board of directors will also appropriate distributions from the portion of the endowment without donor restrictions when considered necessary, and keeping in line with the League's objective to use investment returns to fund donor objectives and to provide additional real growth to endowment accounts through new gifts.

Note K – Retirement Plan

The League has a SIMPLE IRA. Full and part-time employees are eligible for the SIMPLE IRA after 30 days of employment if their gross pay is expected to be \$5,000 or more. The League matches employee contributions up to 3% of gross wages. Contributions by the League were \$38,211 and \$33,934 for the years ended September 30, 2021 and 2020, respectively.

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note L – Leases

The League leases their office in Sandpoint, Idaho and McCall, Idaho, as well as various pieces of office equipment under non-cancelable operating lease agreements expiring in various years through 2026. Operating lease expense for the years ended September 30, 2021 and 2020, was \$28,761 and \$19,698, respectively. Future minimum lease payments of September 30 are as follows:

2022	\$	23,718
2023		15,120
2024		15,120
2025		14,400
2026		<u>12,600</u>
	\$	<u>80,958</u>

Note M – Related Party Transactions

During the years ended September 30, 2021 and 2020, \$30,000 and \$31,175, respectively, were paid to organization's who are related to the League through staff members and members of the board of directors.

Note N – Risk and Uncertainties

The COVID-19 pandemic is having significant effects on markets, supply chains, businesses, and communities. The extent of the impact of COVID-19 on the League's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the League's funding sources, volunteers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the League's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. The League obtained a \$290,575 loan under the Paycheck Protection Program to supplement payroll and other costs. See Note H for additional information.