

Financial Statements

Idaho Conservation League, Inc.
(a nonprofit organization)
Years Ended September 30, 2023 and 2022



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Idaho Conservation League, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Idaho Conservation League, Inc. as of September 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Idaho Conservation League, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Idaho Conservation League, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.





Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Idaho Conservation League, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Idaho Conservation League, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Report on Summarized Comparative Information

We have previously audited Idaho Conservation League, Inc.'s 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 21, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Harvie CPAs P.C.

Meridian, Idaho
January 29, 2024



IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2023
With Comparative Totals as of September 30, 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 880,200 | \$ 500,075 |
| Investments | 2,110,800 | 2,590,843 |
| Unconditional promises to give | 250 | 36,148 |
| Grants receivable | 277,479 | 227,405 |
| Prepaid expenses and other assets | <u>72,087</u> | <u>13,793</u> |
| Total Current Assets | 3,340,816 | 3,368,264 |
| Property and Equipment, net | 589,760 | 525,040 |
| Other Assets | | |
| Endowment | | |
| Investments | | |
| With donor restrictions | 2,350,257 | 2,295,279 |
| Board designated | <u>1,107,187</u> | <u>1,019,998</u> |
| Total Investments | 3,457,444 | 3,315,277 |
| Cash and cash equivalents, board designated | 997,172 | 601,852 |
| Accrued interest, board designated | 6,904 | 5,310 |
| Unconditional promises to give, net - | | |
| With donor restrictions | <u>0</u> | <u>23,400</u> |
| Total Endowment | 4,461,520 | 3,945,839 |
| Security deposits | 3,922 | 3,622 |
| Operating lease right-of-use asset, net | <u>91,961</u> | <u>0</u> |
| Total Other Assets | <u>4,557,403</u> | <u>3,949,461</u> |
| Total Assets | <u>\$ 8,487,979</u> | <u>\$ 7,842,765</u> |

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF FINANCIAL POSITION (Continued)
September 30, 2023
With Comparative Totals as of September 30, 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | \$ 41,480 | \$ 39,204 |
| Accrued and withheld payroll costs | 116,685 | 103,660 |
| Current portion of operating lease liability | <u>31,812</u> | <u>0</u> |
| Total Current Liabilities | 189,977 | 142,864 |
| Other Liabilities | | |
| Operating lease liability, net of current portion | <u>50,849</u> | <u>0</u> |
| Total Liabilities | 240,826 | 142,864 |
| Net Assets | | |
| Without donor restrictions | 5,446,733 | 5,059,202 |
| With donor restrictions | <u>2,800,420</u> | <u>2,640,699</u> |
| Total Net Assets | <u>8,247,153</u> | <u>7,699,901</u> |
| Total Liabilities and Net Assets | <u>\$ 8,487,979</u> | <u>\$ 7,842,765</u> |

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF ACTIVITIES
For the Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>2023 Total</u> | <u>2022 Total</u> |
|---------------------------------------|---------------------------------------|------------------------------------|-----------------------|-----------------------|
| Revenues and Other Support | | | | |
| Contributions | \$ 1,465,943 | \$ 54,979 | \$ 1,520,922 | \$ 1,640,766 |
| Climate campaign contributions | 0 | | 0 | 235,119 |
| Grants | 140,000 | 985,662 | 1,125,662 | 1,078,020 |
| Special events, net | 105,314 | | 105,314 | 66,345 |
| Investment income (loss) | 605,999 | | 605,999 | (1,134,191) |
| CARES Act income | 611,605 | | 611,605 | 290,575 |
| Miscellaneous income | <u>2,872</u> | | <u>2,872</u> | <u>0</u> |
| | 2,931,733 | 1,040,641 | 3,972,374 | 2,176,634 |
| Net assets released from restrictions | <u>880,920</u> | <u>(880,920)</u> | <u>0</u> | <u>0</u> |
| Total Revenue And Support | 3,812,653 | 159,721 | 3,972,374 | 2,176,634 |
| Expenses | | | | |
| Program services | | | | |
| Public lands | 952,086 | | 952,086 | 777,043 |
| Climate | 524,861 | | 524,861 | 500,948 |
| Snake river | 301,076 | | 301,076 | 295,204 |
| Salmon/Steelhead | 591,110 | | 591,110 | 478,436 |
| Other programs | <u>256,627</u> | | <u>256,627</u> | <u>328,952</u> |
| Total Program Services | 2,625,760 | | 2,625,760 | 2,380,583 |
| Supporting services | | | | |
| Administrative | 460,200 | | 460,200 | 268,184 |
| Fundraising | <u>339,162</u> | | <u>339,162</u> | <u>329,063</u> |
| Total Supporting Services | <u>799,362</u> | <u>0</u> | <u>799,362</u> | <u>597,247</u> |
| Total Expenses | <u>3,425,122</u> | <u>0</u> | <u>3,425,122</u> | <u>2,977,830</u> |
| Change in Net Assets | 387,531 | 159,721 | 547,252 | (801,196) |
| Net Assets | | | | |
| Beginning of Year | <u>5,059,202</u> | <u>2,640,699</u> | <u>7,699,901</u> | <u>8,501,097</u> |
| End of Year | <u>\$ 5,446,733</u> | <u>\$ 2,800,420</u> | <u>\$ 8,247,153</u> | <u>\$ 7,699,901</u> |

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

| | Program Services | | | | | | | 2023 Total | 2022 Total |
|-----------------------------|-------------------|-------------------|-------------------|-----------------------|-----------------------|-------------------|-------------------|---------------------|---------------------|
| | Public Lands | Climate | Snake River | Salmon / Steelhead | Other Program Work | Administration | Fundraising | | |
| Salaries and wages | \$ 492,327 | \$ 275,300 | \$ 185,715 | \$ 339,886 | \$ 156,855 | \$ 197,254 | \$ 204,123 | \$ 1,851,460 | \$ 1,693,933 |
| Employee benefits and taxes | 116,901 | 64,594 | 43,003 | 75,933 | 36,926 | 45,784 | 46,562 | 429,703 | 373,579 |
| Program and events | 123,499 | 37,748 | 23,469 | 52,514 | 18,802 | 34,986 | 32,886 | 323,904 | 296,344 |
| Professional services | 37,106 | 16,596 | 10,694 | 18,313 | 8,321 | 46,694 | 8,503 | 146,227 | 191,431 |
| Printing and publications | 31,145 | 15,819 | 10,224 | 22,272 | 7,955 | 14,022 | 14,622 | 116,059 | 96,154 |
| Bad debt | 6,241 | 38,732 | 2,212 | 3,788 | 1,721 | 28,441 | 2,612 | 83,747 | 0 |
| Travel and meetings | 30,867 | 9,095 | 4,049 | 29,870 | 4,347 | 308 | 3,024 | 81,560 | 52,991 |
| Advertising | 26,180 | 13,367 | 8,243 | 21,767 | 5,742 | | 758 | 76,057 | 54,919 |
| Depreciation | | | | | | 46,908 | | 46,908 | 33,659 |
| Food and beverages | 8,982 | 4,149 | 2,750 | 5,051 | 2,045 | 4,143 | 3,592 | 30,712 | 5,574 |
| Postage | 2,541 | 2,107 | 2,107 | 4,178 | 2,107 | 5,348 | 10,582 | 28,970 | 25,477 |
| Utilities | 6,695 | 3,028 | 1,979 | 3,389 | 1,540 | 4,691 | 2,337 | 23,659 | 22,326 |
| Supplies | 5,460 | 3,016 | 1,718 | 4,654 | 1,336 | 3,932 | 1,797 | 21,913 | 20,240 |
| Credit card fees | 4,419 | 2,338 | 1,520 | 3,719 | 1,183 | 2,865 | 3,623 | 19,667 | 13,546 |
| Insurance | | | | | | 18,473 | | 18,473 | 15,820 |
| Equipment costs | 1,548 | 375 | 245 | 420 | 191 | 382 | 290 | 3,451 | 3,847 |
| Other | 58,175 | 38,597 | 3,148 | 5,356 | 7,556 | 5,969 | 3,851 | 122,652 | 77,990 |
| Total Expenses | <u>\$ 952,086</u> | <u>\$ 524,861</u> | <u>\$ 301,076</u> | <u>\$ 591,110</u> | <u>\$ 256,627</u> | <u>\$ 460,200</u> | <u>\$ 339,162</u> | <u>\$ 3,425,122</u> | <u>\$ 2,977,830</u> |

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF CASH FLOWS
For the Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

| | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|
| Cash Flows From Operating Activities | | |
| Change in net assets | \$ 547,252 | \$ (801,196) |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 46,908 | 33,659 |
| Noncash lease expense | (28,314) | 0 |
| Loss on disposal of assets | 0 | 147 |
| Realized gain on sale of investments | (864,879) | (147,147) |
| Unrealized loss on investments | 425,568 | 1,361,109 |
| Donations to endowment | (54,979) | 0 |
| Changes in operating assets and liabilities: | | |
| Unconditional promises to give | (14,176) | 1,787 |
| Prepaid expenses and other assets | (58,294) | 14,084 |
| Accounts payable | 1,584 | 9,616 |
| Accrued and withheld payroll costs | 13,025 | 26,905 |
| Other accrued liabilities | 692 | 4 |
| Operating lease liability | 19,014 | 0 |
| Security deposits | (300) | 0 |
| Refundable advance | <u>0</u> | <u>(290,575)</u> |
| Net Cash Provided (Used) by Operating Activities | 33,101 | 208,393 |
| Cash Flows From Investing Activities | | |
| Purchase of property and equipment | (111,628) | (102,189) |
| Purchase of investments | (3,764,377) | (1,541,074) |
| Proceeds from sale of investments | <u>4,563,370</u> | <u>1,952,929</u> |
| Net Cash Provided (Used) by Investing Activities | 687,365 | 309,666 |
| Cash Flows From Financing Activities | | |
| Donations to endowment | <u>54,979</u> | <u>0</u> |
| Net Change in Cash and Cash Equivalents | 775,445 | 518,059 |

See notes to financial statements.

IDAHO CONSERVATION LEAGUE, INC.
STATEMENTS OF CASH FLOWS (Continued)
For the Year Ended September 30, 2023
With Comparative Totals for the Year Ended September 30, 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| Cash and Cash Equivalents - Beginning of Year | <u>1,101,927</u> | <u>583,868</u> |
| Cash and Cash Equivalents - End of Year | <u>\$ 1,877,372</u> | <u>\$ 1,101,927</u> |
| Reconciliation of Cash and Restricted Cash Balances: | | |
| Cash | \$ 880,200 | \$ 500,075 |
| Endowment – Restricted Cash | <u>997,172</u> | <u>601,852</u> |
| Total Cash and Restricted Cash Balance | <u>\$ 1,877,372</u> | <u>\$ 1,101,927</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.

Accounting Pronouncements Adopted

In 2023, the League adopted Accounting Standards Update (ASU) No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The League elected not to restate the comparative period (2022). It also elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. As a result of implementing ASU No. 2016-02, the League recognized right-of-use assets of \$91,961 and lease liabilities totaling \$91,961 in its statement of financial position as of October 1, 2022. The Company adopted the standard using the modified retrospective method as of October 1, 2022. There was no cumulative effect adjustment to net assets as of the transition date.

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.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

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, 2023 and 2022, the League's uninsured balances total \$6,695,316 and \$6,289,336, 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.

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.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

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.

Leases

The League determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The League does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

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.

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.

Advertising

The League expenses advertising costs as incurred. Total advertising expense was \$76,057 and \$54,919 for the years ended September 30, 2023 and 2022, respectively.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

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.

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 2023 or 2022.

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 2019.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note A – Significant Accounting Policies (Continued)

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 2022 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 2022 financial statements from which the summarized information was derived.

Subsequent Events

The Company has evaluated subsequent events through January 29, 2024, which is the date the financial statements were available to be issued.

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 | \$ | 880,200 |
| Cash and cash equivalents – board designated | | 997,172 |
| Grants and contributions receivable | | 277,729 |
| Investments | | 2,110,800 |
| Investments – endowment | | 3,457,444 |
| Interest receivable | | <u>14,207</u> |
| Total financial assets available within one year | | 7,737,552 |
| Less amounts unavailable for general expenditures within one year, due to: | | |
| Restricted by donors with purpose restrictions | | (2,800,420) |
| Board designations | | <u>(2,111,263)</u> |
| Total amounts unavailable for general expenditures within one year | | <u>(4,911,683)</u> |
| Total financial assets available within one year after restriction | \$ | <u>2,825,869</u> |

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note B – Liquidity and Availability of Resources (Continued)

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, 2023, 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.

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, 2023:

| | <u>Total</u> | <u>Fair Value Measurements Using</u> | | |
|-------------------|---------------------|--------------------------------------|----------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Equity securities | \$ 2,727,768 | \$ 2,727,768 | \$ 0 | \$ 0 |
| Bond funds | 1,625,555 | 1,625,555 | | |
| Fixed income | <u>1,214,921</u> | <u>1,214,921</u> | | |
| | <u>\$ 5,568,244</u> | <u>\$ 5,568,244</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, 2022:

| | <u>Total</u> | <u>Fair Value Measurements Using</u> | | |
|-------------------|---------------------|--------------------------------------|----------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Equity securities | \$ 1,794,000 | \$ 1,794,000 | \$ 0 | \$ 0 |
| Mutual funds | 222,245 | 222,245 | | |
| Bond funds | 1,942,045 | 1,942,045 | | |
| Fixed income | <u>1,947,830</u> | <u>1,947,830</u> | | |
| | <u>\$ 5,906,120</u> | <u>\$ 5,906,120</u> | <u>\$ 0</u> | <u>\$ 0</u> |

Note D – Investments

Investments as of September 30 are summarized as follows:

| | <u>2023</u> | <u>2022</u> |
|-----------------|---------------------|---------------------|
| Cost | \$ 5,448,206 | \$ 5,360,514 |
| Unrealized gain | <u>120,038</u> | <u>545,606</u> |
| Fair value | <u>\$ 5,568,244</u> | <u>\$ 5,906,120</u> |

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note D – Investments (Continued)

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

| | <u>2023</u> | <u>2022</u> |
|------------------------|-------------------|-----------------------|
| Interest and dividends | \$ 194,281 | \$ 119,539 |
| Realized gain | 864,879 | 147,147 |
| Unrealized loss | (425,568) | (1,361,109) |
| Investment expense | <u>(27,593)</u> | <u>(39,768)</u> |
| | <u>\$ 605,999</u> | <u>\$ (1,134,191)</u> |

Note E – Unconditional Promises to Give

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

| | <u>2023</u> | <u>2022</u> |
|---|--------------|-----------------|
| Receivable in less than one year | \$ 250 | \$ 66,164 |
| Receivable in one to five years | <u>0</u> | <u>0</u> |
| Total unconditional promises to give | 250 | 66,164 |
| Less allowance for uncollectible promises | <u>0</u> | <u>(6,616)</u> |
| Net unconditional promises to give | 250 | 59,548 |
| Less portion included in the endowment | (0) | (23,400) |
| Less current unconditional promises to give | <u>(250)</u> | <u>(36,148)</u> |
| Long-term unconditional promises to give | <u>\$ 0</u> | <u>\$ 0</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>2023</u> | <u>2022</u> |
|-------------------------------|-------------------|-------------------|
| Land | \$ 100,000 | \$ 100,000 |
| Buildings and improvements | 680,672 | 686,599 |
| Furniture and equipment | <u>232,353</u> | <u>137,713</u> |
| | 1,013,025 | 924,312 |
| Less accumulated depreciation | <u>(423,265)</u> | <u>(399,272)</u> |
| | <u>\$ 589,760</u> | <u>\$ 525,040</u> |

Note G – Refundable Advance

On February 26, 2021, the League received a second loan with proceeds in the amount of \$290,575 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. On May 20, 2022, the League was notified by their bank that the SBA had granted forgiveness on the PPP loan and accrued interest and was recognized in income for year ended September 30, 2022.

During the year ended September 30, 2023, the Company applied and qualified for the Employee Retention Credit (ERC) that was part of the CARES Act in the amount of \$611,605. The CARES Act provides a fully refundable tax credit against the Social Security tax under Section 3111(a) of the Internal Revenue Code of 1986. The ERC is based on wages paid by eligible employer after March 12, 2020 and before January 1, 2021 and is designed to encourage employers to keep employees on their payroll despite experiencing economic hardship due to the COVID-19 pandemic. Eligibility for the ERC is for entities that had wages not covered by the PPP loan and had its operations fully or partially suspended because of COVID-19 or its gross receipts in a calendar quarter for 2021 or 2020 declined by more than 50% from the same period in 2020 or 2019. The ERC is included in revenue in the statement of activities.

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note H – Net Assets

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

| | <u>2023</u> | <u>2022</u> |
|------------------------------------|---------------------|---------------------|
| Without donor restrictions: | | |
| Invested in property and equipment | \$ 589,760 | \$ 525,040 |
| Board designated for endowment | 2,111,262 | 1,627,160 |
| Undesignated surplus | <u>2,745,711</u> | <u>2,907,002</u> |
| Total without donor restrictions | 5,446,733 | 5,059,202 |
| With donor restrictions: | | |
| Public lands | 140,163 | 222,020 |
| Snake river | 30,000 | 50,000 |
| Wildlife program | 0 | 25,000 |
| 50 th anniversary | 0 | 25,000 |
| Salmon/Steelhead | 80,000 | 0 |
| Time restricted grants | 200,000 | 0 |
| Endowment funds | <u>2,350,257</u> | <u>2,318,679</u> |
| Total with donor restrictions | <u>2,800,420</u> | <u>2,640,699</u> |
| Total net assets | <u>\$ 8,247,153</u> | <u>\$ 7,699,901</u> |

Note I – 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 league 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 I – Endowment (Continued)

Endowment Net Asset Composition by Type of Fund as of September 30, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|-------------------------------------|--|---|---------------------|
| Donor-restricted endowment funds | \$ 0 | \$ 2,350,257 | \$ 2,350,257 |
| Board-designated endowment funds | <u>2,111,263</u> | <u>0</u> | <u>2,111,263</u> |
| | <u>\$ 2,111,263</u> | <u>\$ 2,350,257</u> | <u>\$ 4,461,520</u> |

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|--|---|---------------------|
| Endowment net assets, beginning of year | \$ 1,627,160 | \$ 2,318,679 | \$ 3,945,839 |
| Board authorized distribution to League | (149,999) | | (149,999) |
| Contributions | | 54,979 | 54,979 |
| Board authorized transfer | 235,000 | | 235,000 |
| Interest income, net of investment expense | 89,260 | | 89,260 |
| Net appreciation (realized and unrealized) | <u>309,842</u> | <u>(23,401)</u> | <u>286,441</u> |
| Change in Endowment | <u>484,103</u> | <u>31,578</u> | <u>515,681</u> |
| Endowment net assets, end of year | <u>\$ 2,111,263</u> | <u>\$ 2,350,257</u> | <u>\$ 4,461,520</u> |

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note I – Endowment (Continued)

Endowment Net Asset Composition by Type of Fund as of September 30, 2022

| | <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>1,627,160</u> | <u>0</u> | <u>1,627,160</u> |
| | <u>\$ 1,627,160</u> | <u>\$ 2,318,679</u> | <u>\$ 3,945,839</u> |

Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|--|---|---------------------|
| Endowment net assets, beginning of year | \$ 2,465,041 | \$ 2,318,679 | \$ 4,783,720 |
| Board authorized distribution To League | (69,000) | | (69,000) |
| Interest income, net of investment expense | 38,900 | | 38,900 |
| Net appreciation (realized and unrealized) | <u>(807,781)</u> | <u>0</u> | <u>(807,781)</u> |
| Change in Endowment | <u>(837,881)</u> | <u>0</u> | <u>(837,881)</u> |
| Endowment net assets, end of year | <u>\$ 1,627,160</u> | <u>\$ 2,318,679</u> | <u>\$ 3,945,839</u> |

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note I – 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, 2023 and 2022 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 J – 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 \$49,417 and \$42,093 for the years ended September 30, 2023 and 2022, respectively.

IDAHO CONSERVATION LEAGUE, INC.

NOTES TO FINANCIAL STATEMENTS

Note K – Leases

The League evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent the League's right to use underlying assets for the lease term, and the lease liabilities represent the League's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. The League has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of September 30, 2023, was 4.05%.

The League's operating leases consist primarily of their office spaces in Sandpoint, Idaho and McCall, Idaho, as well as a copier, parking spaces, and Cougar Island located on Payette Lake.

For the year ended September 30, 2023, total operating lease expense was \$33,232. As of September 30, 2023, the weighted-average remaining lease term for the League's operating leases was approximately 2.08 years. Rent expense for the year ended September 30, 2022, which was accounted for in accordance with ASC 840, amounted to approximately \$39,801.

Cash paid for operating leases for the year ended September 30, 2023 was \$91,961. There were no noncash investing and financing transactions related to leasing other than the transition entry described in note A.

Future maturities of lease liabilities are presented in the following table, for the fiscal years ending September 30:

| | | |
|-----------------------------|----|----------------------|
| 2024 | \$ | 34,465 |
| 2025 | | 38,274 |
| 2026 | | <u>13,750</u> |
| Total lease payments | | 86,489 |
| Less present value discount | | <u>(3,828)</u> |
| Total lease obligations | | 82,661 |
| Less current portion | | <u>(31,812)</u> |
| Long-term portion of leases | \$ | <u><u>50,849</u></u> |

IDAHO CONSERVATION LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS

Note L – Fiscal Sponsorship

The League serves as the fiscal sponsor for United Payette, a McCall based conservation coalition. As of September 30, 2023 and 2022, the United Payette fund balance was \$90,725 and \$107,835, respectively. The League has the power to redirect the use of transferred assets to another beneficiary, as such, the amounts have been recognized in contributions revenue in the statement of activities for the years ended September 30, 2023 and 2022.