

# Financial Statements

Idaho Conservation League, Inc.  
(a nonprofit organization)  
Years Ended September 30, 2019 and 2018



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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, 2019, 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

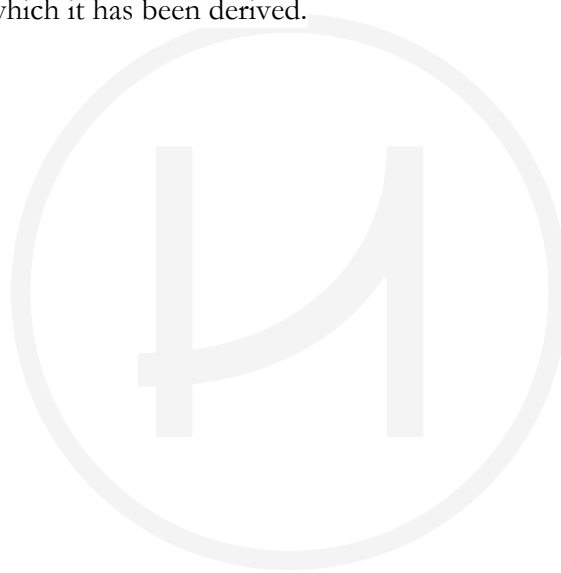
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Idaho Conservation League, Inc. as of September 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the Idaho Conservation League, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Harris CPA's*

Meridian, Idaho  
January 29, 2020



**IDAHO CONSERVATION LEAGUE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2019**  
**With Comparative Totals as of September 30, 2018**

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	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 900,480	\$ 723,969
Investments	1,698,778	1,383,089
Unconditional promises to give	110,006	231,368
Grants receivable	179,565	0
Prepaid expenses and other assets	<u>20,325</u>	<u>29,017</u>
Total Current Assets	2,909,154	2,367,443
<b>Other Assets</b>		
Endowment		
Investments		
With donor restrictions	1,711,945	1,705,979
Board designated	<u>1,359,434</u>	<u>1,118,182</u>
Total Investments	3,071,379	2,824,161
Cash and cash equivalents, board designated	171,765	23,007
Accrued interest, board designated	2,758	3,275
Unconditional promises to give, net -		
With donor restrictions	<u>41,476</u>	<u>47,442</u>
Total Endowment	3,287,378	2,897,885
Unconditional promises to give, net	32,100	101,418
Property and equipment, net	<u>480,492</u>	<u>489,656</u>
Total Other Assets	<u>3,799,970</u>	<u>3,488,959</u>
Total Assets	<u>\$ 6,709,124</u>	<u>\$ 5,856,402</u>

See notes to financial statements.

**IDAHO CONSERVATION LEAGUE, INC.**  
**STATEMENTS OF FINANCIAL POSITION (Continued)**  
**September 30, 2019**  
**With Comparative Totals as of September 30, 2018**

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	<u>2019</u>	<u>2018</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 34,924	\$ 17,522
Accrued and withheld payroll costs	93,778	53,552
Funds held in custody for others	81,985	59,985
Other accrued liabilities	<u>565</u>	<u>831</u>
Total Current Liabilities	211,252	131,890
<b>Net Assets</b>		
Without donor restrictions:		
Operating	2,443,007	2,242,971
Property and equipment	480,492	489,656
Board designated for endowment	<u>1,533,957</u>	<u>1,144,464</u>
Total Without Donor Restrictions	4,457,456	3,877,091
With donor restrictions:	<u>2,040,416</u>	<u>1,847,421</u>
Total Net Assets	<u>6,497,872</u>	<u>5,724,512</u>
Total Liabilities and Net Assets	<u>\$ 6,709,124</u>	<u>\$ 5,856,402</u>

See notes to financial statements.

**IDAHO CONSERVATION LEAGUE, INC.**  
**STATEMENTS OF ACTIVITIES**  
For the Year Ended September 30, 2019  
With Comparative Totals for the Year Ended September 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Total</u>	<u>2018 Total</u>
<b>Revenues and Other Support</b>				
Contributions	\$ 1,312,380	\$	\$ 1,312,380	\$ 912,477
Climate campaign contributions		2,961	2,961	38,919
Grants	33,500	992,072	1,025,572	622,213
Special events	162,332		162,332	100,651
Investment income	273,567		273,567	343,990
Miscellaneous income	515		515	4,276
	<u>1,782,294</u>	<u>995,033</u>	<u>2,777,327</u>	<u>2,022,526</u>
Net assets released from restrictions	<u>802,038</u>	<u>(802,038)</u>	<u>0</u>	<u>0</u>
Total Revenue And Support	2,584,332	192,995	2,777,327	2,022,526
<b>Expenses</b>				
Program services				
Public lands	327,468		327,468	476,903
Climate	180,467		180,467	252,046
Snake river	99,404		99,404	132,590
Salmon/Steelhead	175,237		175,237	59,968
Other programs	<u>510,579</u>		<u>510,579</u>	<u>645,608</u>
Total Program Services	1,293,155		1,293,155	1,567,115
Supporting services				
Administrative	556,829		556,829	227,237
Fundraising	153,983		153,983	169,212
Campaign	<u>0</u>		<u>0</u>	<u>7,500</u>
Total Supporting Services	<u>710,812</u>	<u>0</u>	<u>710,812</u>	<u>403,949</u>
Total Expenses	<u>2,003,967</u>	<u>0</u>	<u>2,003,967</u>	<u>1,971,064</u>
Change in Net Assets	580,365	192,995	773,360	51,462
<b>Net Assets</b>				
Beginning of Year	<u>3,877,091</u>	<u>1,847,421</u>	<u>5,724,512</u>	<u>5,673,050</u>
End of Year	<u>\$ 4,457,456</u>	<u>\$ 2,040,416</u>	<u>\$ 6,497,872</u>	<u>\$ 5,724,512</u>

See notes to financial statements.

**IDAHO CONSERVATION LEAGUE, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Year Ended September 30, 2019  
With Comparative Totals for the Year Ended September 30, 2018

	<u>Program Services</u>								<u>2019</u>	<u>2018</u>
	<u>Public Lands</u>	<u>Climate</u>	<u>Snake River</u>	<u>Salmon/Steelhead</u>	<u>Other Program Work</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>	
Salaries and wages	\$ 232,002	\$ 148,767	\$ 82,969	\$ 150,771	\$ 156,285	\$ 252,218	\$ 114,809	\$ 1,137,821	\$ 1,209,972	
Employee benefits and taxes	26,903	8,568	7,173	11,360	30,418	139,356	8,601	232,379	243,076	
Program expenses	11,748	21,216	1,224	2,915	115,227	5,542	2,050	159,922	152,929	
Professional services	25,185	128	4,218	4,355	38,555	65,919	1,500	139,860	78,244	
Travel and meetings	23,819	1,736	2,636	4,395	30,257	3,129	6,724	72,696	43,966	
Printing and publications	2,200			502	55,175	945	747	59,569	53,826	
Advertising	3,016	50	49	20	26,183	361	50	29,729	20,339	
Supplies	364		102	454		26,291	21	27,232	9,642	
Postage	1,100		586	74	23,121	214	232	25,327	25,982	
Depreciation						25,312		25,312	25,502	
Utilities						18,692		18,692	14,668	
Special event expenses							18,540	18,540	27,621	
Food and beverages	906	2	257	206	11,214	537	672	13,794	15,938	
Credit card fees	35				11,267	535		11,837	18,904	
Insurance						6,395		6,395	6,487	
Equip rental and maint						5,925		5,925	9,265	
Bad debt						2,916		2,916	0	
Other	190		190	185	12,877	2,542	37	16,021	14,703	
	<u>\$ 327,468</u>	<u>\$ 180,467</u>	<u>\$ 99,404</u>	<u>\$ 175,237</u>	<u>\$ 510,579</u>	<u>\$ 556,829</u>	<u>\$ 153,983</u>	<u>\$ 2,003,967</u>	<u>\$ 1,971,064</u>	

See notes to financial statements.



**IDAHO CONSERVATION LEAGUE, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended September 30, 2019**  
**With Comparative Totals for the Year Ended September 30, 2018**

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	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 773,360	\$ 51,462
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	25,312	25,502
Loss on disposal of assets	858	0
Realized gain on sale of investments	(211,913)	(209,992)
Unrealized loss (gain) on investments	12,995	(74,987)
Donations to endowment	0	(48,083)
Changes in operating assets and liabilities:		
Unconditional promises to give	11,115	200,208
Prepaid expenses and other assets	8,692	(25,262)
Accounts payable	17,402	6,698
Accrued and withheld payroll costs	40,226	15,890
Other accrued liabilities	(266)	831
Funds held in custody for others	<u>22,000</u>	<u>59,985</u>
Net Cash Provided (Used) by Operating Activities	699,781	2,252
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(17,006)	(6,142)
Purchase of investments	(981,933)	(783,526)
Proceeds from sale of investments	<u>475,669</u>	<u>1,155,805</u>
Net Cash Provided (Used) by Investing Activities	(523,270)	366,137
<b>Cash Flows From Financing Activities</b>		
Donations to endowment	<u>0</u>	<u>48,083</u>
Net Change in Cash and Cash Equivalents	176,511	416,472
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>723,969</u>	<u>307,497</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 900,480</u>	<u>\$ 723,969</u>

See notes to financial statements.

# IDAHO CONSERVATION LEAGUE, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 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 three offices in Idaho including one in Boise, Ketchum and Sandpoint. 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*

For the year ended September 30, 2019, the League adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. This guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity and expenses by both their natural and functional classification.

Implementation of the new standard did not require reclassification or restatement of any opening balances related to the prior period. Net assets presented as temporary or permanently restricted assets are now reported as net assets with donor restrictions. Net assets reported as unrestricted are now reported as net assets without donor 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.

## IDAHO CONSERVATION LEAGUE, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### 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, 2019 and 2018, the League's uninsured balances total \$5,008,250 and \$4,234,109, 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.

##### *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 \$300 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 two to forty years.

## IDAHO CONSERVATION LEAGUE, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Significant Accounting Policies (Continued)

##### *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.

##### *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 \$29,730 and \$20,339 for the years ended September 30, 2019 and 2018, 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.

## IDAHO CONSERVATION LEAGUE, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### Note A – Significant Accounting Policies (Continued)

##### *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 2019 or 2018.

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 2015.

##### *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 2018 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 2018 financial statements from which the summarized information was derived.

**IDAHO CONSERVATION LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A – Significant Accounting Policies (Continued)**

*Reclassifications*

Certain amounts for the year ended September 30, 2018 have been reclassified to conform to the current year presentation. The reclassifications have no effect on the change in net assets for the year ended September 30, 2018.

*Subsequent Events*

The League has evaluated subsequent events through January 29, 2020 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	\$ 1,072,245
Grants and contributions receivable	363,147
Investments	4,770,157
Interest receivable	<u>5,009</u>
Total financial assets available within one year	6,210,558
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	(2,040,416)
Receivables scheduled to be collected in more than one year	(32,100)
Board designations	<u>(1,533,957)</u>
Total amounts unavailable for general expenditures within one year	<u>(3,606,473)</u>
Total financial assets available within one year after restriction	<u>\$ 2,604,085</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, 2019, 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

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#### 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**

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**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, 2019:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 1,436,507	\$ 1,436,507	\$ 0	\$ 0
Mutual funds	396,638	396,638		
Debt securities	20,254	20,254		
Bond funds	1,269,346	1,269,346		
Fixed income	<u>1,647,412</u>	<u>1,647,412</u>		
	<u>\$ 4,770,157</u>	<u>\$ 4,770,157</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, 2018:

	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 1,306,351	\$ 1,306,351	\$ 0	\$ 0
Mutual funds	504,079	504,079		
Debt securities	114,496	114,496		
Bond funds	1,787,083	1,787,083		
Fixed income	<u>495,241</u>	<u>495,241</u>		
	<u>\$ 4,207,250</u>	<u>\$ 4,207,250</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Note D – Investments**

Investments as of September 30 are summarized as follows:

	<u>2019</u>	<u>2018</u>
Cost	\$ 4,039,574	\$ 3,463,672
Unrealized gain	<u>730,583</u>	<u>743,578</u>
Fair value	<u>\$ 4,770,157</u>	<u>\$ 4,207,250</u>



**IDAHO CONSERVATION LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note D – Investments (Continued)**

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

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 103,549	\$ 87,384
Realized gain	211,913	209,992
Unrealized gain (loss)	(12,995)	74,987
Investment expense	<u>(28,900)</u>	<u>(28,373)</u>
	<u>\$ 273,567</u>	<u>\$ 343,990</u>

**Note E – Unconditional Promises To Give**

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

	<u>2019</u>	<u>2018</u>
Receivable in less than one year	\$ 142,006	\$ 264,368
Receivable in one to five years	<u>65,126</u>	<u>166,245</u>
Total unconditional promises to give	207,132	430,613
Less discounts to net present value	(2,837)	(7,588)
Less allowance for uncollectible promises	<u>(20,713)</u>	<u>(42,797)</u>
Net unconditional promises to give	183,582	380,228
Less portion included in the endowment	(41,476)	(47,442)
Less current unconditional promises to give	<u>(110,006)</u>	<u>(231,368)</u>
Long-term unconditional promises to give	<u>\$ 32,100</u>	<u>\$ 101,418</u>

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

**IDAHO CONSERVATION LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note F – Property and Equipment**

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

	<u>2019</u>	<u>2018</u>
Land	\$ 100,000	\$ 100,000
Buildings and improvements	664,662	652,765
Furniture and equipment	<u>68,986</u>	<u>78,909</u>
	833,648	831,674
Less accumulated depreciation	<u>353,156</u>	<u>342,018</u>
	<u>\$ 480,492</u>	<u>\$ 489,656</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. Funds held in custody of others totaled \$81,985 and \$59,985 at September 30, 2019 and 2018, respectively.

**Note H – 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 \$32,827 and \$34,902 for the years ended September 30, 2019 and 2018, respectively.

**Note I – Leases**

The League leases their office in Sandpoint, Idaho and various pieces of office equipment under non cancelable operating lease agreements expiring in various years through 2021. Operating lease expense for the years ended September 30, 2019 and 2018, was \$20,850 and \$22,740, respectively. Future minimum lease payments of September 30 are as follows:

2020	\$ 15,494
2021	12,487
2022	<u>2,598</u>
	<u>\$ 30,579</u>

**IDAHO CONSERVATION LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note J – Related Party Transactions**

During the years ended September 30, 2019 and 2018, \$16,000 and \$17,435, respectively, were paid to organization's who are related to the League through staff members and members of the board of directors.

**Note K – Net Assets**

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

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Invested in property and equipment	\$ 480,492	\$ 489,656
Board designated for endowment	1,533,957	1,144,464
Undesignated surplus	<u>2,443,007</u>	<u>2,242,971</u>
Total without donor restrictions	4,457,456	3,877,091
With donor restrictions:		
Net assets with purpose restrictions:		
Public lands	105,000	54,000
Salmon/Steelhead	40,000	30,000
Other restricted grants	141,995	10,000
Endowment funds	<u>1,753,421</u>	<u>1,753,421</u>
Total with donor restrictions	<u>2,040,416</u>	<u>1,847,421</u>
Total net assets	<u>\$ 6,497,872</u>	<u>\$ 5,724,512</u>

**Note L – 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.

**IDAHO CONSERVATION LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note L – Endowment (Continued)**

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.

**Endowment Net Asset Composition by Type of Fund as of September 30, 2019**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ 0	\$ 1,753,421	\$ 1,753,421
Board-designated endowment funds	<u>1,533,957</u>	<u>0</u>	<u>1,533,957</u>
	<u>\$ 1,533,957</u>	<u>\$ 1,753,421</u>	<u>\$ 3,287,378</u>

**Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2019**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Endowment net assets, beginning of year	\$ 1,144,464	\$ 1,753,421	\$ 2,897,885
Board authorized distribution to League	(75,000)		(75,000)
Interest income, net of investment expense	33,655		33,655
Net appreciation (realized and unrealized)	162,098		162,098
Contributions	<u>268,740</u>	<u>0</u>	<u>268,740</u>
Change in Endowment	<u>389,493</u>	<u>0</u>	<u>389,493</u>
Endowment net assets, end of year	<u>\$ 1,533,957</u>	<u>\$ 1,753,421</u>	<u>\$ 3,287,378</u>

**IDAHO CONSERVATION LEAGUE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note L – Endowment (Continued)**

**Endowment Net Asset Composition by Type of Fund as of September 30, 2018**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Donor-restricted endowment funds	\$ 0	\$ 1,753,421	\$ 1,753,421
Board-designated endowment funds	<u>1,144,464</u>	<u>0</u>	<u>1,144,464</u>
	<u>\$ 1,144,464</u>	<u>\$ 1,753,421</u>	<u>\$ 2,897,885</u>

**Changes in Endowment Net Assets for the Fiscal Year Ended September 30, 2018**

	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>Total</u></b>
Endowment net assets, beginning of year	\$ 1,066,971	\$ 1,705,338	\$ 2,772,309
Board authorized distribution To League	(172,000)	0	(172,000)
Interest income, net of investment expense	30,372	0	30,372
Net appreciation (realized and unrealized)	219,121	0	219,121
Contributions	<u>0</u>	<u>48,083</u>	<u>48,083</u>
Change in Endowment	<u>77,493</u>	<u>48,083</u>	<u>125,576</u>
Endowment net assets, end of year	<u>\$ 1,144,464</u>	<u>\$ 1,753,421</u>	<u>\$ 2,897,885</u>

**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, 2019 and 2018 there were no such deficiencies.

## **IDAHO CONSERVATION LEAGUE, INC.**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note L – Endowment (Continued)**

##### **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.