



FINANCIAL REPORT

B*i*C

BANK INFORMATION CENTER

YEARS ENDED DECEMBER 31, 2020 AND 2019

BANK INFORMATION CENTER
FINANCIAL REPORT
YEARS ENDED DECEMBER 31, 2020 AND 2019

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3
Statements of Functional Expenses	4 - 5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 15



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Bank Information Center
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of Bank Information Center (BIC) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors consider 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 Bank Information Center as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Thompson Greenspon

Fairfax, Virginia
October 5, 2021

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STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 316,410	\$ 411,247
Investments	1,122,901	412,570
Contributions receivable	1,027,356	653,000
Rent receivable	6,100	-
Prepaid expenses	28,061	28,121
Employee advances	596	2,245
	2,501,424	1,507,183
Property and Equipment		
Furniture and equipment	30,428	30,428
Website	19,800	19,800
Less: accumulated depreciation and amortization	(46,928)	(40,328)
	3,300	9,900
Other Assets		
Deposits	14,501	14,501
Contributions receivable, net of current portion	689,622	-
	704,123	14,501
Total Assets	\$ 3,208,847	\$ 1,531,584
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 22,246	\$ 30,197
Accrued expenses	28,215	18,494
Conditional contribution	178,127	90,885
Deferred rent, current portion	14,189	7,061
	242,777	146,637
Long-term Liabilities		
Deferred rent, net of current portion	121,320	135,509
	364,097	282,146
Net Assets		
Without donor restrictions	417,227	390,279
With donor restrictions	2,427,523	859,159
	2,844,750	1,249,438
Total Liabilities and Net Assets	\$ 3,208,847	\$ 1,531,584

The Notes to Financial Statements are an integral part of these statements.

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STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Contributions and grants	\$ 220,000	\$ 2,971,634	\$ 3,191,634	\$ 323,000	\$ 1,041,188	\$ 1,364,188
Investment income, net	66,325	-	66,325	39,442	-	39,442
Other grants - Paycheck Protection Program loan	138,255	-	138,255	-	-	-
Other income	1,460	-	1,460	5,555	-	5,555
Net assets released from restrictions	1,403,270	(1,403,270)	-	1,413,204	(1,413,204)	-
Total Support and Revenue	1,829,310	1,568,364	3,397,674	1,781,201	(372,016)	1,409,185
Expenses						
Program services						
Social Inclusion	464,981	-	464,981	537,870	-	537,870
Environment	206,248	-	206,248	251,884	-	251,884
Policy	102,433	-	102,433	243,502	-	243,502
Special projects	222,204	-	222,204	155,975	-	155,975
General programs	413,441	-	413,441	-	-	-
Total Program Services	1,409,307	-	1,409,307	1,189,231	-	1,189,231
Supporting services						
Management and general	294,334	-	294,334	441,057	-	441,057
Fundraising	98,721	-	98,721	96,309	-	96,309
Total Supporting Services	393,055	-	393,055	537,366	-	537,366
Total Expenses	1,802,362	-	1,802,362	1,726,597	-	1,726,597
Change in Net Assets	26,948	1,568,364	1,595,312	54,604	(372,016)	(317,412)
Net Assets, beginning of year	390,279	859,159	1,249,438	335,675	1,231,175	1,566,850
Net Assets, end of year	\$ 417,227	\$ 2,427,523	\$ 2,844,750	\$ 390,279	\$ 859,159	\$ 1,249,438

The Notes to Financial Statements are an integral part of these statements.

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**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020**

	Program Services					Supporting Services				
	Social Inclusion	Environment	Policy	Special Projects	General Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries and fringe benefits	\$ 266,142	\$ 139,805	\$ 62,367	\$ 103,811	\$ 356,265	\$ 928,390	\$ 83,721	\$ 84,345	\$ 168,066	\$ 1,096,456
Bank charges and service fees	1,194	430	121	322	1,344	3,411	3,664	326	3,990	7,401
Communications	5,660	1,497	265	19,723	4,682	31,827	12,760	1,135	13,895	45,722
Consultants	5,073	7,862	21,326	74,546	5,372	114,179	14,640	1,303	15,943	130,122
Depreciation and amortization	1,072	386	68	289	1,206	3,021	3,287	292	3,579	6,600
Direct support to partners	133,346	30,339	1,400	6,549	203	171,837	554	49	603	172,440
Dues and subscriptions	2,325	1,639	148	787	2,616	7,515	7,131	634	7,765	15,280
Equipment rental and maintenance	29	11	2	8	33	83	89	8	97	180
Insurance	591	213	38	159	665	1,666	1,812	161	1,973	3,639
Miscellaneous	512	143	25	360	449	1,489	1,224	109	1,333	2,822
Occupancy	30,373	10,928	1,934	8,197	34,181	85,613	93,155	8,290	101,445	187,058
Printing and publications	-	4,183	701	-	-	4,884	-	-	-	4,884
Professional fees	471	169	30	127	530	1,327	56,227	129	56,356	57,683
Supplies and materials	2,520	906	160	2,580	2,835	9,001	7,728	688	8,416	17,417
Travel and transportation	14,806	7,437	594	4,044	2,121	29,002	5,782	1,024	6,806	35,808
Workshops, seminars and meetings	867	300	13,254	702	939	16,062	2,560	228	2,788	18,850
Total Expenses	\$ 464,981	\$ 206,248	\$ 102,433	\$ 222,204	\$ 413,441	\$ 1,409,307	\$ 294,334	\$ 98,721	\$ 393,055	\$ 1,802,362

The Notes to Financial Statements are an integral part of this statement.

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STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED DECEMBER 31, 2019

	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Social Inclusion	Environment	Policy	Special Projects		Management and General	Fundraising		
Salaries and fringe benefits	\$ 343,897	\$ 153,549	\$ 143,325	\$ 110,533	\$ 751,304	\$ 164,263	\$ 72,484	\$ 236,747	\$ 988,051
Bank charges and service fees	516	203	331	50	1,100	2,386	223	2,609	3,709
Communications	6,000	3,182	3,646	4,406	17,234	13,659	1,276	14,935	32,169
Consultants	12,376	5,825	18,101	15,497	51,799	9,292	868	10,160	61,959
Depreciation and amortization	963	378	300	93	1,734	4,450	416	4,866	6,600
Direct support to partners	78,001	38,596	16,181	9,775	142,553	10,115	945	11,060	153,613
Dues and subscriptions	1,292	508	402	124	2,326	5,969	558	6,527	8,853
Equipment rental and maintenance	1	1	-	-	2	6	1	7	9
Insurance	661	260	206	64	1,191	3,054	285	3,339	4,530
Miscellaneous	144	57	45	14	260	665	62	727	987
Occupancy	27,439	10,783	8,542	2,638	49,402	126,811	11,846	138,657	188,059
Printing and publications	-	4,768	-	-	4,768	-	-	-	4,768
Professional fees	-	-	-	498	498	55,499	-	55,499	55,997
Supplies and materials	4,522	598	2,625	146	7,891	7,028	657	7,685	15,576
Travel and transportation	56,870	23,501	4,244	9,982	94,597	17,955	4,829	22,784	117,381
Workshops, seminars and meetings	5,188	9,675	45,554	2,155	62,572	19,905	1,859	21,764	84,336
Total Expenses	\$ 537,870	\$ 251,884	\$ 243,502	\$ 155,975	\$ 1,189,231	\$ 441,057	\$ 96,309	\$ 537,366	\$ 1,726,597

The Notes to Financial Statements are an integral part of this statement.

BANK INFORMATION CENTER

STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 1,595,312	\$ (317,412)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	6,600	6,600
Unrealized and realized gain on investments	(58,509)	(19,732)
Reinvested interest and dividends	(3,911)	(7,776)
(Increase) Decrease in		
Contributions receivable	(1,063,978)	(31,100)
Rent receivable	(6,100)	-
Prepaid expenses	60	(21,697)
Increase (Decrease) in		
Accounts payable	(7,951)	13,912
Accrued expenses	9,721	6,586
Conditional contribution	87,242	90,885
Deferred rent	(7,061)	(173)
	551,425	(279,907)
Net Cash Provided (Used) by Operating Activities		
Cash Flows from Investing Activities		
Purchase of investments	(847,911)	(482,444)
Sale of investment securities	200,000	166,377
Employee advance collections (payments)	1,649	(1,060)
	(646,262)	(317,127)
Net Cash Used by Investing Activities		
Net Decrease in Cash and Cash Equivalents	(94,837)	(597,034)
Cash and Cash Equivalents, beginning of year	411,247	1,008,281
Cash and Cash Equivalents, end of year	\$ 316,410	\$ 411,247

The Notes to Financial Statements are an integral part of these statements.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

The Bank Information Center (BIC or the Organization) is an independent, nonprofit, non-governmental organization (NGO), incorporated in the District of Columbia, that provides information and strategic support to NGOs and social movements throughout the world on the projects, policies and practices of the World Bank and other Multilateral Development Banks (MDBs). BIC advocates for greater transparency, accountability and citizen participation at the MDBs.

The underlying categories represent the major program areas of the Organization.

Social Inclusion - The program works specifically to improve IFI (International Financial Institution) governance and operations by prioritizing the inclusion of marginalized groups, the protection of their rights, and their equal access to project benefits. BIC's advocacy currently focuses on three marginalized groups that have been historically overlooked by IFIs: children, women and persons with disabilities.

Environment - The program works to ensure that MDBs support positive action on climate and forests, incorporating environmental sustainability, and people's rights to a livable environment, throughout their work.

Policy - The program works toward improved policies at the IFIs, primarily in the areas of stronger environmental and social standards, stronger accountability frameworks, and improved opportunities for stakeholder engagement. BIC's strategic focus will remain on the World Bank Group, as the primary standard setter for IFIs, but will also respond to opportunities at regional development banks and key trust funds to strengthen policies across institutions in an effort to support upward harmonization of standards.

Basis of Accounting

The financial statements of BIC have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents include demand deposits and all highly liquid debt instruments with original maturities of three months or less.

BIC maintains cash balances with several financial institutions which, at times, may exceed federally insured limits of \$250,000. BIC has not experienced any losses from such accounts.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Gains and losses are reported in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Investment expenses are included in investment income, net.

Fair Value

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable liquid market price existed (an exit price). 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 under FASB ASC 820 are described below:

Level 1 – inputs to the valuation methodology are based upon unadjusted quoted prices for identical assets or liabilities in active markets that BIC has the ability to access.

Level 2 – inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques (market, cost, or income approach). The market approach evaluates prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The cost approach evaluates the amount that would be required to replace the service capacity of an asset (i.e., replacement cost). The income approach uses techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following describes the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Organization at year end.

Certificates of deposit: Valued using a matrix or model pricing method.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while BIC 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.

Receivables

Contributions receivable represents amounts which have been promised but not yet received. Various grants received by the Organization periodically require progress reports on the activities of the Organization.

Contributions receivable due within one year are recorded at net realizable value. Contributions receivable that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and grants revenue. In subsequent years, amortization of the discounts is included in contributions revenue in the statements of activities and changes in net assets. The Organization determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At December 31, 2020 and 2019, the allowance was \$-0-. Conditional promises to give are not included as support until the conditions are substantially met. All grants and accounts receivable are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Property and Equipment

The Organization has a capitalization policy for qualifying assets in excess of \$1,000. Property and equipment are reported at cost. Furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets, generally five years. Website is amortized over the useful life of three years. Depreciation and amortization expense was \$6,600 for the years ended December 31, 2020 and 2019.

Expenditures for maintenance and repairs that do not materially extend the useful lives of property and equipment are charged to expense when incurred. Leases which meet certain specified criteria are recorded as capital assets and liabilities, and those not meeting the criteria are accounted for as operating leases. When property or equipment is sold or otherwise disposed of, the cost and accumulated depreciation are removed from the respective accounts with the resulting gain or loss reflected in earnings.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions, Grants and Contracts

The activities of the Organization are primarily financed by grants. Revenue recognized but not received from the granting agency is reported as contributions receivable in the accompanying statements of financial position. Contributions and grants with and without donor restrictions are recorded as revenue in the year notification is received from the donor. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Consequently, at December 31, 2020 and 2019, contributions approximating \$178,000 and \$90,000, respectively, have not been recognized in the accompanying statements of activities and changes in net assets and are included in the statements of financial position as a conditional contribution liability because the conditions on which they depend have not yet been met but the funds were received prior to year end. Additionally, at December 31, 2020 and 2019, conditional contributions approximating \$285,000 and \$-0-, respectively, for which the conditions were not met, and funds were not received prior to year end, have not been recognized in the accompanying financial statements.

The Organization periodically receives funding under contracts, which are considered exchange transactions; for these contracts, the Organization recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. The revenue for the projects is recognized over time as the costs are incurred.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services directly based on the functions they directly benefit or upon management's estimates of the proportion of these costs applicable to each function.

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include fundraising, depreciation, insurance, occupancy, salary and benefits and other expenses, which are allocated on the basis of estimates of time and effort. Expenses related to consultants, direct support to partners, meetings, and travel are charged to the appropriate program as they are incurred.

Beginning in 2020, expenses for time spent working on program activities that could not be directly charged to a particular grant are presented on the general programs column on the statement of functional expenses. In 2019, these expenses were presented with management and general expenses.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Paycheck Protection Program Loan

In 2020, the Organization received \$138,255 under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP). The PPP funding is legally structured as a forgivable loan by the SBA. In order to achieve forgiveness of the loan, the Organization must spend the funding for specific purposes and also must generally maintain its full-time equivalent level of staffing over a defined time period. The Organization has accounted for the PPP funding under FASB ASC 958-605, *Application of the Limited Discretion Indicator and Accounting for Cost-Sharing Provisions in a Grant Agreement*, as a conditional contribution in the financial statements. As of December 31, 2020, the Organization's management believes the Organization has met the substantial requirements for full forgiveness of the loan and as such, has recorded contributions revenue totaling \$138,255 during the year ending December 31, 2020.

The Organization applied for forgiveness in 2020 and on January 15, 2021, they were notified by their bank that the SBA had approved their forgiveness application. Accordingly, other income of \$138,255 arising from the loan forgiveness has been included in the statements of activities and changes in net assets for the year ended December 31, 2020.

Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the District of Columbia, BIC is exempt from taxes on income related to its exempt purpose.

BIC has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements and no interest and penalties have been recorded in the accompanying financial statements related to uncertain tax positions.

BIC files Form 990, Return of Organization Exempt from Income Tax, with the Internal Revenue Service. BIC is not currently under audit by any income tax jurisdiction.

BIC is subject to unrelated business income tax for activities conducted outside its tax-exempt purpose. BIC did not conduct unrelated business activities during the years ended December 31, 2020 and 2019.

COVID-19

On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic, prompting many national, regional, and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As a result, COVID-19 and the related restrictive measures have had a significant adverse impact upon many sectors of the economy, including the industries in which the Organization operates. In December 2020, the U.S. Food and Drug Administration approved the distribution of COVID-19 vaccines that, once widely adopted and utilized, may materially reduce the impact of COVID-19 going forward, although the impact of the virus including certain new strains remains uncertain. The impact, scope and duration of any new strains of the virus, and the ability to successfully distribute the vaccines, remain largely unknown. The extent of the impact of COVID-19 on the Organization's business and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which the Organization operates and the related impact on consumer confidence and spending, all of which are highly uncertain.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Pronouncements

ASU 2016-02

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The guidance in ASU 2016-02 supersedes the lease recognition requirements in ASC Topic 840, *Leases (FAS 13)*. ASU 2016-02 requires an entity to recognize assets and liabilities on the balance sheet for the rights and obligations created by leased assets and provide additional disclosures. ASU 2016-02 is effective for non-public entities for fiscal years beginning after December 15, 2021, with early adoption permitted. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Subsequent Events

The date to which events occurring after December 31, 2020, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is October 5, 2021, which is the date on which the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY

The financial assets and liquidity resources available within one year of the statement of financial position date for general expenditure are as follows at December 31, 2020:

	Gross Amount	Unavailable for General Expenditure	Available to Meet Cash Needs Within One Year
Cash and cash equivalents	\$ 316,410	\$ -	\$ 316,410
Contributions receivable	1,716,978	(689,622)	1,027,356
Rent receivable	6,100	-	6,100
Investments	1,122,901	-	1,122,901
	<u>\$ 3,162,389</u>	<u>\$ (689,622)</u>	<u>\$ 2,472,767</u>

The Organization has certain donor-restricted net assets that are available for general expenditure within one year of December 31, 2020, because the restrictions on the net assets are expected to be met by conducting normal activities of their programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available to meet general expenditures within one year.

The Organization has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet normal operating expenses for the current budget year.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

3. CONTRIBUTIONS RECEIVABLE

Contributions are discounted at a rate of 3 percent during 2020. There were no contributions discounted at December 31, 2019. A schedule of the present value of anticipated collections of contributions receivable at December 31, by year, is as follows:

	2020	2019
2020	\$ N/A	\$ 653,000
2021	1,027,356	-
2022	708,534	-
Gross contributions receivable	1,735,890	653,000
Less: discount	(18,912)	-
Totals	1,716,978	653,000
Current portion	1,027,356	653,000
Noncurrent portion, net	\$ 689,622	\$ -

4. INVESTMENTS

The tables below summarize, by level within the fair value hierarchy, BIC's investments as of December 31:

		Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2020	Fair Value			
Mutual Funds - Large Blend Index Fund	\$ 474,574	\$ 474,574	\$ -	\$ -
Certificates of Deposit	648,327	-	648,327	-
	\$ 1,122,901	\$ 474,574	\$ 648,327	\$ -

		Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2019	Fair Value			
Mutual Funds - Large Blend Index Fund	\$ 412,570	\$ 412,570	\$ -	\$ -

We evaluated the significance of transfers between the levels based upon the nature of the financial instrument and size of the transfer relative to the total investments. For the year ended December 31, 2020, there were no significant transfers in or out of Levels 1, 2 or 3.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

4. INVESTMENTS (continued)

Certificates of deposit matured from February 2021 through July 2021 and carried an interest rate of 0.09 percent. Certificates of deposit were invested in multiple institutions.

Investment returns from investments, as well as cash and cash equivalents, consisted of the following for the years ended December 31:

	2020	2019
Interest and dividends	\$ 7,816	\$ 19,710
Unrealized and realized gains	58,509	19,732
Total Investment Income	<u>\$ 66,325</u>	<u>\$ 39,442</u>

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31:

	2020	2019
Program restricted		
Social Inclusion	\$ 1,265,989	\$ 173,610
Special projects	314,378	160,600
Policy	105,245	103,857
Environment	26,911	11,092
Time restricted	715,000	410,000
Total Net Assets with Donor Restrictions	<u>\$ 2,427,523</u>	<u>\$ 859,159</u>

6. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by satisfying donor-imposed restrictions (program expenditures or passage of time). The following is a summary of net assets released from restrictions for the years ended December 31:

	2020	2019
Program services		
Social Inclusion	\$ 464,981	\$ 514,869
Environment	206,247	251,076
Policy	100,224	241,781
Special projects	221,818	155,478
Passage of time	410,000	250,000
Total Net Assets Released from Restrictions	<u>\$ 1,403,270</u>	<u>\$ 1,413,204</u>

7. CONCENTRATION OF RISK

At December 31, 2020, two entities accounted for 66 percent of revenue. At December 31, 2019, three entities accounted for 67 percent of revenue. At December 31, 2020, two entities accounted for 99 percent of contributions receivable. At December 31, 2019, two entities accounted for 95 percent of contributions receivable.

BANK INFORMATION CENTER

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

8. LEASE COMMITMENT

During 2014, BIC entered into a ten-year lease agreement for office space, commencing April 1, 2015. Base rent is \$172,941 per year, increasing by a factor of 3.5 percent per year. The lease includes 50 percent abated rent in the first year of the lease, which is being amortized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as a deferred rent liability.

Following are the future minimum payments under the lease at December 31, 2020:

<u>Year ending December 31:</u>	
2021	\$ 210,795
2022	218,173
2023	225,810
2024	233,712
2025	180,900
Total	<u>\$ 1,069,390</u>

On April 1, 2018, BIC entered into a one-year sublease for a portion of the office space. Sublease payments were \$900 per month. The sublease was extended for an additional term through March 30, 2020. Sublease payments were \$900 per month for the first month and \$1,150 through the remainder of the lease term. The sublease was extended for an additional term through March 30, 2022 with monthly payments starting at \$1,150 and reducing to \$450. Subsequent to year end, the sublease was modified to end on May 31, 2021. The future minimum rental income under the non-cancelable sublease is \$2,250 for the year ending December 31, 2021.

Rent expense for the year ended December 31, 2020 amounted to \$196,607, net of sublease income of \$9,550 for net rent expense of \$187,057. Rent expense for the year ended December 31, 2019 amounted to \$200,859, net of sublease income of \$12,800 for net rent expense of \$188,059. The deferred rent liability was \$135,509 and \$142,570 at December 31, 2020 and 2019, respectively.

9. RETIREMENT PLAN

In July 2000, BIC adopted a defined contribution retirement plan. For all full-time employees who have completed one year of service, BIC will contribute 2 percent of the employee's annual salary to the plan. The employer contribution increases to 5 percent of employee's annual salary after the completion of two years of service and 8 percent after three years. For the years ended December 31, 2020 and 2019, BIC contributed \$40,833 and \$39,097, respectively, to the retirement plan.

10. CONTINGENCIES

BIC invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Organization's investments and the amounts reported in the statements of financial position and the statements of activities and changes in net assets.