



## FINANCIAL REPORT

**B*i*C**

BANK INFORMATION CENTER

YEARS ENDED DECEMBER 31, 2018 AND 2017

**BANK INFORMATION CENTER**  
**FINANCIAL REPORT**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

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## 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, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses (2018 only), 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, 2018 and 2017, 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.

**Report on Statements of Functional Expenses Summarized Comparative Information**

We have previously audited BIC's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2018. In our opinion, the statements of functional expenses summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Thompson Greenman*

Fairfax, Virginia  
September 23, 2019

## BANK INFORMATION CENTER

### STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2018 AND 2017

	2018	2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,008,281	\$ 1,120,749
Investments	68,995	76,431
Grants receivable, current portion	621,900	752,000
Prepaid expenses	6,424	1,500
Employee advances	1,185	6
Total Current Assets	1,706,785	1,950,686
<b>Property and Equipment</b>		
Furniture and equipment	30,428	30,428
Website	19,800	5,250
Less: accumulated depreciation and amortization	(33,728)	(30,428)
Net Property and Equipment	16,500	5,250
<b>Other Assets</b>		
Deposits	14,501	28,913
Grants receivable, net of current portion	-	237,864
Total Other Assets	14,501	266,777
<b>Total Assets</b>	<b>\$ 1,737,786</b>	<b>\$ 2,222,713</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 16,285	\$ 21,886
Accrued expenses	11,908	18,302
Total Current Liabilities	28,193	40,188
<b>Long-term Liabilities</b>		
Deferred rent	142,743	136,261
Total Liabilities	170,936	176,449
<b>Net Assets</b>		
Without donor restrictions	335,675	497,824
With donor restrictions	1,231,175	1,548,440
Total Net Assets	1,566,850	2,046,264
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,737,786</b>	<b>\$ 2,222,713</b>

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, 2018 AND 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>						
Grants	\$ 29,987	\$ 1,117,729	\$ 1,147,716	\$ 429,248	\$ 2,106,533	\$ 2,535,781
Investment (loss) income, net	(9,965)	-	(9,965)	15,597	-	15,597
Contributions and other income	15,524	-	15,524	5,070	-	5,070
Net assets released from restrictions	1,434,994	(1,434,994)	-	1,717,704	(1,717,704)	-
Total Support and Revenue	<u>1,470,540</u>	<u>(317,265)</u>	<u>1,153,275</u>	<u>2,167,619</u>	<u>388,829</u>	<u>2,556,448</u>
<b>Expenses</b>						
Program services						
Social Inclusion	602,525	-	602,525	569,155	-	569,155
Environment	239,097	-	239,097	463,504	-	463,504
Policy	165,795	-	165,795	259,266	-	259,266
Special projects	176,965	-	176,965	136,998	-	136,998
Total Program Services	<u>1,184,382</u>	<u>-</u>	<u>1,184,382</u>	<u>1,428,923</u>	<u>-</u>	<u>1,428,923</u>
Supporting services						
Management and general	364,754	-	364,754	389,027	-	389,027
Fundraising	83,553	-	83,553	47,197	-	47,197
Total Supporting Services	<u>448,307</u>	<u>-</u>	<u>448,307</u>	<u>436,224</u>	<u>-</u>	<u>436,224</u>
Total Expenses	<u>1,632,689</u>	<u>-</u>	<u>1,632,689</u>	<u>1,865,147</u>	<u>-</u>	<u>1,865,147</u>
<b>Change in Net Assets</b>	(162,149)	(317,265)	(479,414)	302,472	388,829	691,301
<b>Net Assets, beginning of year</b>	<u>497,824</u>	<u>1,548,440</u>	<u>2,046,264</u>	<u>195,352</u>	<u>1,159,611</u>	<u>1,354,963</u>
<b>Net Assets, end of year</b>	<u>\$ 335,675</u>	<u>\$ 1,231,175</u>	<u>\$ 1,566,850</u>	<u>\$ 497,824</u>	<u>\$ 1,548,440</u>	<u>\$ 2,046,264</u>

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

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**STATEMENTS OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2018  
AND SUMMARIZED INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017**

	2018					2017			2017	
	Program Services				Total Program Services	Supporting Services		Total Supporting Services	Total Expenses	Total Expenses
	Social Inclusion	Environment	Policy	Special Projects		Management and General	Fundraising			
Salaries and fringe benefits	\$ 372,704	\$ 150,562	\$ 84,103	\$ 60,105	\$ 667,474	\$ 114,545	\$ 59,892	\$ 174,437	\$ 841,911	\$ 978,336
Bank charges and service fees	1,173	497	595	181	2,446	3,292	385	3,677	6,123	34,521
Communications	8,595	1,474	1,547	8,879	20,495	12,236	1,433	13,669	34,164	29,654
Consultants	4,520	26,073	26,047	55,296	111,936	2,829	331	3,160	115,096	210,160
Depreciation and amortization	646	230	184	105	1,165	1,911	224	2,135	3,300	425
Direct support to partners	111,035	13,317	1,293	4,137	129,782	13,429	1,572	15,001	144,783	99,247
Dues and subscriptions	1,126	401	321	183	2,031	3,330	390	3,720	5,751	1,770
Equipment rental and maintenance	677	241	193	4,351	5,462	2,002	234	2,236	7,698	4,895
Insurance	835	297	378	136	1,646	2,469	289	2,758	4,404	4,771
Miscellaneous	770	325	217	140	1,452	2,254	264	2,518	3,970	2,567
Occupancy	37,165	13,236	10,585	7,031	68,017	109,905	12,867	122,772	190,789	198,359
Printing and publications	-	6,620	-	-	6,620	-	-	-	6,620	11,705
Professional fees	-	-	-	-	-	57,120	-	57,120	57,120	70,985
Supplies and materials	1,321	470	3,870	994	6,655	3,908	457	4,365	11,020	18,557
Travel and transportation	55,862	23,723	34,853	30,182	144,620	21,980	3,629	25,609	170,229	149,333
Workshops, seminars and meetings	6,096	1,631	1,609	5,245	14,581	13,544	1,586	15,130	29,711	49,862
<b>Total Expenses</b>	<b>\$ 602,525</b>	<b>\$ 239,097</b>	<b>\$ 165,795</b>	<b>\$ 176,965</b>	<b>\$ 1,184,382</b>	<b>\$ 364,754</b>	<b>\$ 83,553</b>	<b>\$ 448,307</b>	<b>\$ 1,632,689</b>	<b>\$ 1,865,147</b>

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

## BANK INFORMATION CENTER

### STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (479,414)	\$ 691,301
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation and amortization	3,300	425
Unrealized and realized loss (gain) in investments	9,480	(13,293)
Reinvested interest and dividends	(2,044)	(1,531)
(Increase) Decrease in		
Grants receivable	367,964	(266,773)
Prepaid expenses	(4,924)	22,592
Increase (Decrease) in		
Accounts payable	(5,601)	(42,322)
Accrued expenses	(6,394)	(9,303)
Deferred rent	6,482	12,916
	(111,151)	394,012
<b>Net Cash (Used) Provided by Operating Activities</b>		
<b>Cash Flows from Investing Activities</b>		
Employee advance (payments) collections	(1,179)	5,494
Payments for website	(14,550)	(5,250)
Collection of deposit	14,412	-
	(1,317)	244
<b>Net Cash (Used) Provided by Investing Activities</b>		
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(112,468)	394,256
<b>Cash and Cash Equivalents, beginning of year</b>	1,120,749	726,493
<b>Cash and Cash Equivalents, end of year</b>	\$ 1,008,281	\$ 1,120,749

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

# BANK INFORMATION CENTER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

### 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, 2018 AND 2017

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

#### Investments

Investments consist of mutual funds and are recorded at fair value. 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 (loss) income.

#### 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, 2018 and 2017.

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

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.

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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

##### **Grants Receivable**

Grants 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.

Grants receivable are recorded at their net realizable value, which approximates fair value. Grants receivable that are expected to be collected in future years are recorded at fair value, measured as 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 monies are received. Amortization of the discounts is included in grants revenue. Conditional promises to give are not included as support until the conditions are substantially met. All grants 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 for the years ended December 31, 2018 and 2017 was \$3,300 and \$425, respectively.

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.

**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.

# **BANK INFORMATION CENTER**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017**

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

#### **Contributions and Grants**

Contributions and grants with and without donor restrictions are recorded as revenue in the year notification is received from the donor. Contributions and grants with donor restrictions are recognized as unrestricted support only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements. Contributions and grants with donor restrictions whose restrictions are met in the same reporting period as the contribution and grant are received are reported as net assets without donor restrictions.

#### **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.

#### **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, 2018 and 2017.

#### **Reclassifications**

Certain items in the 2017 financial statements have been reclassified to conform to the 2018 financial statement presentation. The reclassifications had no impact on previously reported net assets.

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

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

##### **Recent Accounting Pronouncements**

###### ASU 2014-09

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The standard's core principle is that an entity will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing users of the financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers. ASU 2014-09 is effective for non-public entities for fiscal years beginning after December 15, 2018, with early adoption permitted for fiscal years beginning after December 15, 2016. BIC is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

###### ASU 2016-02

In February 2016, the FASB issued 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, 2019, with early adoption permitted. BIC is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

##### **Change in Accounting Principle**

BIC adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, effective January 1, 2018. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. This ASU has been applied retrospectively to all periods presented.

##### **Subsequent Events**

The date to which events occurring after December 31, 2018, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is September 23, 2019, which is the date on which the financial statements were available to be issued.

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

#### 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, 2018:

	Gross Amount	Unavailable for General Expenditure	Available to Meet Cash Needs Within One Year
Cash and cash equivalents	\$ 1,008,281	\$ -	\$ 1,008,281
Grants receivable	621,900	(67,547)	554,353
Investments	68,995	-	68,995
	\$ 1,699,176	\$ (67,547)	\$ 1,631,629

The Organization has certain donor-restricted net assets that are available for general expenditure within one year of December 31, 2018, because the restrictions on the net assets are expected to be met by conducting normal activities of our 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.

#### 3. GRANTS RECEIVABLE

There were no grants discounted at December 31, 2018. Grants are discounted at a rate of 3 percent during 2017. A schedule of the present value of anticipated collections of grants receivable at December 31, by year, is as follows:

	2018	2017
2018	\$ N/A	\$ 752,000
2019	621,900	245,000
Gross grants receivable	621,900	997,000
Less: discount	-	(7,136)
Totals	621,900	989,864
Current portion	621,900	752,000
Noncurrent portion, net	\$ -	\$ 237,864

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### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

#### 4. INVESTMENTS

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

<u>2018</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds - Index Equity Fund	\$ 68,995	\$ 68,995	\$ -	\$ -

<u>2017</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/ Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds - Index Equity Fund	\$ 76,431	\$ 76,431	\$ -	\$ -

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, 2018, there were no significant transfers in or out of Levels 1, 2 or 3.

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

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 2,820	\$ 2,304
Unrealized and realized (losses) gains	(9,480)	13,293
Investment expenses	(3,305)	-
Total Investment (Loss) Income	<u>\$ (9,965)</u>	<u>\$ 15,597</u>

#### 5. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2018</u>	<u>2017</u>
Program restricted		
Social Inclusion	\$ 518,472	\$ 843,851
Environment	98,053	112,797
Policy	138,840	201,635
Special projects	225,810	140,157
Time restricted	250,000	250,000
Total Net Assets with Donor Restrictions	<u>\$ 1,231,175</u>	<u>\$ 1,548,440</u>

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

#### 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:

	2018	2017
Program services		
Social Inclusion	\$ 602,525	\$ 619,155
Environment	239,744	465,904
Policy	165,794	264,075
Special projects	176,931	118,570
Passage of time	250,000	250,000
Total Net Assets Released from Restrictions	\$ 1,434,994	\$ 1,717,704

#### 7. CONCENTRATION OF RISK

At December 31, 2018 and 2017, five entities accounted for 88 and 93 percent of revenue, respectively. At December 31, 2018 and 2017, three entities accounted for 96 percent of the grants receivable.

#### 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, 2018:

<u>Year ending December 31:</u>	
2019	\$ 196,779
2020	203,667
2021	210,795
2022	218,173
2023	225,810
Thereafter	414,611
Total	\$ 1,469,835

On April 1, 2018, BIC entered into a one-year sublease for a portion of the office space. Sublease payments are \$900 per month. Sublease income amounted to \$8,100 for the year ended December 31, 2018. The future minimum rental income under the non-cancelable sublease is \$2,700 for the year ending December 31, 2019.

Total rent expense for 2018 of \$197,889 was netted with sublease income of \$8,100 for net rent expense of \$189,789. Total rent expense for 2017 was \$198,359. The deferred rent liability was \$142,743 and \$136,261 at December 31, 2018 and 2017, respectively.

## **BANK INFORMATION CENTER**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017**

#### **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, 2018 and 2017, BIC contributed \$19,140 and \$28,462, 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.