



## FINANCIAL REPORT

**B*i*C**

BANK INFORMATION CENTER

YEARS ENDED DECEMBER 31, 2021 AND 2020

# BANK INFORMATION CENTER

## FINANCIAL REPORT YEARS ENDED DECEMBER 31, 2021 AND 2020

### CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 16



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Bank Information Center  
Washington, DC

### Opinion

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, 2021 and 2020, 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.

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, 2021 and 2020, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bank Information Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bank Information Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

*Thompson Greenspon*

Fairfax, Virginia  
November 8, 2022

## BANK INFORMATION CENTER

### STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2021 AND 2020

	2021	2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,648,426	\$ 316,410
Investments	682,836	1,122,901
Contributions receivable	948,534	1,027,356
Rent receivable	-	6,100
Prepaid expenses	20,036	28,061
Employee advances	2,581	596
	<u>3,302,413</u>	<u>2,501,424</u>
<b>Property and Equipment</b>		
Furniture and equipment	30,428	30,428
Website	19,800	19,800
Less: accumulated depreciation and amortization	(50,228)	(46,928)
	<u>-</u>	<u>3,300</u>
<b>Other Assets</b>		
Deposits	14,501	14,501
Contributions receivable, net of current portion	-	689,622
	<u>14,501</u>	<u>704,123</u>
<b>Total Assets</b>	<u>\$ 3,316,914</u>	<u>\$ 3,208,847</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 61,280	\$ 22,246
Accrued expenses	34,792	28,215
Conditional contribution	201,256	178,127
Deferred rent, current portion	21,566	14,189
	<u>318,894</u>	<u>242,777</u>
<b>Long-term Liabilities</b>		
Deferred rent, net of current portion	99,754	121,320
	<u>418,648</u>	<u>364,097</u>
<b>Net Assets</b>		
Without donor restrictions	934,706	417,227
With donor restrictions	1,963,560	2,427,523
	<u>2,898,266</u>	<u>2,844,750</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,316,914</u>	<u>\$ 3,208,847</u>

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

## BANK INFORMATION CENTER

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>						
Contributions and grants	\$ 907,000	\$ 1,184,841	\$ 2,091,841	\$ 220,000	\$ 2,971,634	\$ 3,191,634
Investment income, net	58,397	-	58,397	66,325	-	66,325
Other grants - Paycheck Protection Program loan	-	-	-	138,255	-	138,255
Other income	5,238	-	5,238	1,460	-	1,460
Net assets released from restrictions	1,648,804	(1,648,804)	-	1,403,270	(1,403,270)	-
<b>Total Support and Revenue</b>	<b>2,619,439</b>	<b>(463,963)</b>	<b>2,155,476</b>	<b>1,829,310</b>	<b>1,568,364</b>	<b>3,397,674</b>
<b>Expenses</b>						
Program services						
Social Inclusion	505,844	-	505,844	464,981	-	464,981
Environment	269,139	-	269,139	206,248	-	206,248
Policy	217,285	-	217,285	102,433	-	102,433
Special projects	311,404	-	311,404	222,204	-	222,204
General programs	457,981	-	457,981	413,441	-	413,441
<b>Total Program Services</b>	<b>1,761,653</b>	<b>-</b>	<b>1,761,653</b>	<b>1,409,307</b>	<b>-</b>	<b>1,409,307</b>
Supporting services						
Management and general	305,107	-	305,107	294,334	-	294,334
Fundraising	35,200	-	35,200	98,721	-	98,721
<b>Total Supporting Services</b>	<b>340,307</b>	<b>-</b>	<b>340,307</b>	<b>393,055</b>	<b>-</b>	<b>393,055</b>
<b>Total Expenses</b>	<b>2,101,960</b>	<b>-</b>	<b>2,101,960</b>	<b>1,802,362</b>	<b>-</b>	<b>1,802,362</b>
<b>Change in Net Assets</b>	<b>517,479</b>	<b>(463,963)</b>	<b>53,516</b>	<b>26,948</b>	<b>1,568,364</b>	<b>1,595,312</b>
<b>Net Assets, beginning of year</b>	<b>417,227</b>	<b>2,427,523</b>	<b>2,844,750</b>	<b>390,279</b>	<b>859,159</b>	<b>1,249,438</b>
<b>Net Assets, end of year</b>	<b>\$ 934,706</b>	<b>\$ 1,963,560</b>	<b>\$ 2,898,266</b>	<b>\$ 417,227</b>	<b>\$ 2,427,523</b>	<b>\$ 2,844,750</b>

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

**BANK INFORMATION CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021**

	Program Services					Total Program Services	Supporting Services			Total Expenses
	Social Inclusion	Environment	Policy	Special Projects	General Programs		Management and General	Fundraising	Total Supporting Services	
Salaries and fringe benefits	\$ 344,713	\$ 137,240	\$ 162,112	\$ 124,812	\$ 369,943	\$ 1,138,820	\$ 57,250	\$ 23,753	\$ 81,003	\$ 1,219,823
Consultants	19,233	62,208	27,672	131,843	12,526	253,482	30,959	1,862	32,821	286,303
Occupancy	25,331	10,122	10,765	9,027	38,586	93,831	95,367	5,735	101,102	194,933
Direct support to partners	97,834	44,109	1,832	12,536	16,565	172,876	16,226	976	17,202	190,078
Communications	2,545	11,324	9,922	25,179	3,572	52,542	8,829	531	9,360	61,902
Professional fees	464	185	197	165	706	1,717	59,244	105	59,349	61,066
Travel and transportation	5,870	882	938	2,539	3,362	13,591	8,308	500	8,808	22,399
Supplies and materials	3,347	588	625	684	3,260	8,504	5,542	333	5,875	14,379
Dues and subscriptions	1,899	724	770	808	2,761	6,962	6,825	410	7,235	14,197
Workshops, seminars and meetings	1,644	657	897	586	2,505	6,289	6,190	372	6,562	12,851
Bank charges and service fees	1,507	602	640	1,437	2,296	6,482	5,674	341	6,015	12,497
Insurance	558	223	237	199	850	2,067	2,101	126	2,227	4,294
Depreciation and amortization	429	171	182	153	653	1,588	1,615	97	1,712	3,300
Miscellaneous	470	104	496	1,436	396	2,902	977	59	1,036	3,938
<b>Total Expenses</b>	<b>\$ 505,844</b>	<b>\$ 269,139</b>	<b>\$ 217,285</b>	<b>\$ 311,404</b>	<b>\$ 457,981</b>	<b>\$ 1,761,653</b>	<b>\$ 305,107</b>	<b>\$ 35,200</b>	<b>\$ 340,307</b>	<b>\$ 2,101,960</b>

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

**BANK INFORMATION CENTER**

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

	Program Services					Total Program Services	Supporting Services			Total Expenses
	Social Inclusion	Environment	Policy	Special Projects	General Programs		Management and General	Fundraising	Total Supporting Services	
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
Consultants	5,073	7,862	21,326	74,546	5,372	114,179	14,640	1,303	15,943	130,122
Occupancy	30,373	10,928	1,934	8,197	34,181	85,613	93,154	8,290	101,444	187,057
Direct support to partners	133,346	30,339	1,400	6,549	203	171,837	554	49	603	172,440
Communications	5,660	1,497	265	19,723	4,682	31,827	12,760	1,135	13,895	45,722
Professional fees	471	169	30	127	530	1,327	56,227	129	56,356	57,683
Travel and transportation	14,806	7,437	594	4,044	2,121	29,002	5,782	1,024	6,806	35,808
Supplies and materials	2,520	906	160	2,580	2,835	9,001	7,728	688	8,416	17,417
Dues and subscriptions	2,325	1,639	148	787	2,616	7,515	7,131	634	7,765	15,280
Workshops, seminars and meetings	867	300	13,254	702	939	16,062	2,560	228	2,788	18,850
Bank charges and service fees	1,194	430	121	322	1,344	3,411	3,664	326	3,990	7,401
Insurance	591	213	38	159	665	1,666	1,812	161	1,973	3,639
Depreciation and amortization	1,072	386	68	289	1,206	3,021	3,287	292	3,579	6,600
Miscellaneous	512	143	25	360	449	1,489	1,225	109	1,334	2,823
Printing and publications	-	4,183	701	-	-	4,884	-	-	-	4,884
Equipment rental and maintenance	29	11	2	8	33	83	89	8	97	180
<b>Total Expenses</b>	<b>\$ 464,981</b>	<b>\$ 206,248</b>	<b>\$ 102,433</b>	<b>\$ 222,204</b>	<b>\$ 413,441</b>	<b>\$ 1,409,307</b>	<b>\$ 294,334</b>	<b>\$ 98,721</b>	<b>\$ 393,055</b>	<b>\$ 1,802,362</b>

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

## BANK INFORMATION CENTER

### STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 53,516	\$ 1,595,312
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	3,300	6,600
Unrealized and realized gain on investments	(48,575)	(58,509)
Reinvested interest and dividends	(9,809)	(3,911)
(Increase) Decrease in		
Contributions receivable	768,444	(1,063,978)
Rent receivable	6,100	(6,100)
Prepaid expenses	8,025	60
Increase (Decrease) in		
Accounts payable	39,034	(7,951)
Accrued expenses	6,577	9,721
Conditional contribution	23,129	87,242
Deferred rent	(14,189)	(7,061)
	<u>835,552</u>	<u>551,425</u>
Net Cash Provided by Operating Activities		
	<u>835,552</u>	<u>551,425</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	-	(847,911)
Sale of investment securities	498,449	200,000
Employee advances (payments) collections	(1,985)	1,649
	<u>496,464</u>	<u>(646,262)</u>
Net Cash Provided (Used) by Investing Activities		
	<u>496,464</u>	<u>(646,262)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	1,332,016	(94,837)
<b>Cash and Cash Equivalents, beginning of year</b>	<u>316,410</u>	<u>411,247</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 1,648,426</u>	<u>\$ 316,410</u>

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

# BANK INFORMATION CENTER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

### 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.

#### **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.

#### **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.

# BANK INFORMATION CENTER

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

#### **Fair Value Measurements**

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, 2021 and 2020.

*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.

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.

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

##### Receivables (continued)

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, 2021 and 2020, 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.

As of January 1, 2020, there were no accounts receivable, contract assets and contract liabilities.

##### 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 \$3,300 and \$6,600 for the years ended December 31, 2021 and 2020, 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, 2021 AND 2020

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

##### **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, 2021 and 2020, contributions approximating \$201,000 and \$178,000, 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, 2021 and 2020, conditional contributions approximating \$76,000 and \$285,000, 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.

##### **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 ended 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 statement of activities and changes in net assets for the year ended December 31, 2020.

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

##### **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, 2021 and 2020.

##### **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.

###### ASU 2020-07

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new standard is effective for annual reporting periods beginning after June 15, 2021. The standard requires separate presentation of contributions of nonfinancial assets on the statement of activities and changes in net assets, as well as additional disclosures related to how they are valued and used.

##### **Public Health Issues and Uncertainty**

The United States has experienced, and may experience in the future, outbreaks of contagious diseases that affect public health and public perception of health risk. The COVID-19 pandemic caused the shutdown of large portions of the economy and had a significant adverse impact upon the industries in which the Organization operates. The extent of the impact of COVID-19 on the Organization's business and financial results will depend on future developments, which cannot be predicted, including new information which may emerge concerning the continuing severity of COVID-19, whether there are additional outbreaks, and the actions taken to contain them or their impact. If COVID-19 continues to cause, or another contagious disease causes, significant negative impacts to economic conditions or consumer confidence, the Organization's business and financial results could be materially adversely impacted.

The COVID-19 pandemic has also significantly increased economic and demand uncertainty, including inflation, interest rates, availability of capital markets, consumer spending rates and energy availability and costs. Volatility in financial markets and deterioration of national and global economic conditions, including supply chain disruptions and shortages in skilled labor, could impact the Organization's business and operations.

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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

##### Subsequent Events

The date to which events occurring after December 31, 2021, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is November 8, 2022, 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:

	2021		
	Gross Amount	Unavailable for General Expenditure	Available to Meet Cash Needs Within One Year
Cash and cash equivalents	\$ 1,648,426	\$ -	\$ 1,648,426
Contributions receivable	948,534	-	948,534
Investments	682,836	-	682,836
	\$ 3,279,796	\$ -	\$ 3,279,796
	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
	\$ 3,162,389	\$ (689,622)	\$ 2,472,767

The Organization has certain donor-restricted net assets that are available for general expenditure within one year of December 31, 2021 and 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, 2021 AND 2020

#### 3. CONTRIBUTIONS RECEIVABLE

There are no contributions discounted at December 31, 2021. Contributions were discounted at a rate of 3 percent during 2020. A schedule of the present value of anticipated collections of contributions receivable at December 31, by year, is as follows:

	2021	2020
2021	\$ N/A	\$ 1,027,356
2022	948,534	708,534
Gross contributions receivable	948,534	1,735,890
Less: discount	-	(18,912)
Totals	948,534	1,716,978
Current portion	948,534	1,027,356
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)
<u>2021</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Mutual Funds - Large				
Blend Index Fund	\$ 532,810	\$ 532,810	\$ -	\$ -
Certificates of Deposit	150,026	-	150,026	-
	\$ 682,836	\$ 532,810	\$ 150,026	\$ -
<u>2020</u>	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
Mutual Funds - Large				
Blend Index Fund	\$ 474,574	\$ 474,574	\$ -	\$ -
Certificates of Deposit	648,327	-	648,327	-
	\$ 1,122,901	\$ 474,574	\$ 648,327	\$ -

Certificate of deposit mature January 2022 and carry an interest rate of 0.01 percent.

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

#### 4. INVESTMENTS (continued)

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

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 9,822	\$ 7,816
Unrealized and realized gains	48,575	58,509
Total Investment Income, net	<u>\$ 58,397</u>	<u>\$ 66,325</u>

#### 5. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Program restricted		
Social Inclusion	\$ 887,990	\$ 1,265,989
Environment	350,693	26,911
Special projects	312,974	314,378
Policy	54,403	105,245
Time restricted	<u>357,500</u>	<u>715,000</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,963,560</u>	<u>\$ 2,427,523</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:

	<u>2021</u>	<u>2020</u>
Program services		
Social Inclusion	\$ 496,911	\$ 464,981
Special projects	311,404	221,818
Environment	269,141	206,247
Policy	213,848	100,224
Passage of time	<u>357,500</u>	<u>410,000</u>
Total Net Assets Released from Restrictions	<u>\$ 1,648,804</u>	<u>\$ 1,403,270</u>

#### 7. CONCENTRATION OF RISK

At December 31, 2021, two entities accounted for 66 percent of revenue. At December 31, 2020, two entities accounted for 66 percent of revenue. At December 31, 2021, two entities accounted for 96 percent of contributions receivable. At December 31, 2020, two entities accounted for 99 percent of contributions receivable.

## BANK INFORMATION CENTER

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

#### 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, 2021:

<u>Year ending December 31:</u>	
2022	\$ 218,173
2023	225,810
2024	233,712
2025	180,900
Total	<u>\$ 858,595</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. The sublease was modified to end on May 31, 2021.

Rent expense for the year ended December 31, 2021 amounted to \$197,183, net of sublease income of \$2,250 for net rent expense of \$194,933. 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. The deferred rent liability was \$121,320 and \$135,509 at December 31, 2021 and 2020, 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, 2021 and 2020, BIC contributed \$45,450 and \$40,833, 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.