
IMPACT CAMPUS MINISTRIES, INC.

Moscow, Idaho

**Reviewed Financial Statements
For the Years Ended June 30, 2021 and 2020**

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Impact Campus Ministries, Inc.
Moscow, Idaho

We have reviewed the accompanying financial statements of Impact Campus Ministries, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.



Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Organization has adopted ASU 2014-19, *Revenue from Contract with Customers*, as further described in Note 7.

Hayden Ross, PLLC

Moscow, Idaho
October 19, 2021

IMPACT CAMPUS MINISTRIES, INC.

Moscow, Idaho

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets		
Cash	526,871	688,861
Investments, demand certificate	48,946	-
Employee receivable	-	2
Prepaid expenses	1,000	-
Total Current Assets	<u>576,817</u>	<u>688,863</u>
Property and Equipment		
Office furniture and equipment	28,280	22,138
Less: accumulated depreciation	<u>(4,954)</u>	<u>(19,087)</u>
Net Property and Equipment	<u>23,326</u>	<u>3,051</u>
Other Assets		
Investments, time certificate	<u>250,000</u>	<u>-</u>
Total other assets	<u>250,000</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 850,143</u></u>	<u><u>\$ 691,914</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	9,176	4,549
Credit cards payable	12,253	8,307
Current portion of PPP loan	-	55,265
Total Current Liabilities	<u>21,429</u>	<u>68,121</u>
Noncurrent Liabilities		
Noncurrent portion of PPP loan	<u>-</u>	<u>88,605</u>
Total Liabilities	<u>21,429</u>	<u>156,726</u>
Net Assets		
Without donor restrictions	<u>828,714</u>	<u>535,188</u>
Total Net Assets	<u>828,714</u>	<u>535,188</u>
Total Liabilities and Net Assets	<u><u>\$ 850,143</u></u>	<u><u>\$ 691,914</u></u>

IMPACT CAMPUS MINISTRIES, INC.

Moscow, Idaho

STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	1,144,833	-	1,144,833
Gain on extinguishment of debt (PPP loan)	143,870	-	143,870
Miscellaneous income	70,700	-	70,700
Interest income	5,154	-	5,154
Total Revenue, Grants and Other Support	<u>1,364,557</u>	<u>-</u>	<u>1,364,557</u>
Net Assets Released From Restrictions			
Restrictions satisfied by payments	-	-	-
Total net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses			
Program services			
Salaries and wages	604,633	-	604,633
Other campus ministries expenses	254,015	-	254,015
Total Program Services Expenses	<u>858,648</u>	<u>-</u>	<u>858,648</u>
Supporting activities			
General and administrative expenses	113,888	-	113,888
Fundraising expenses	98,495	-	98,495
Total Supporting Activities Expenses	<u>212,383</u>	<u>-</u>	<u>212,383</u>
Total Operating Expenses	<u>1,071,031</u>	<u>-</u>	<u>1,071,031</u>
Change in net assets	293,526	-	293,526
Net assets - beginning of year	<u>535,188</u>	<u>-</u>	<u>535,188</u>
Net assets - end of year	<u>\$ 828,714</u>	<u>\$ -</u>	<u>\$ 828,714</u>

IMPACT CAMPUS MINISTRIES, INC.

Moscow, Idaho

STATEMENTS OF ACTIVITIES
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	1,173,120	-	1,173,120
Miscellaneous income	1,196	-	1,196
Interest income	199	-	199
Total Revenue, Grants and Other Support	<u>1,174,515</u>	<u>-</u>	<u>1,174,515</u>
Net Assets Released From Restrictions			
Restrictions satisfied by payments	-	-	-
Total net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Operating Expenses			
Program services			
Salaries and wages	551,041	-	551,041
Other campus ministries expenses	377,999	-	377,999
Total Program Services Expenses	<u>929,040</u>	<u>-</u>	<u>929,040</u>
Supporting activities			
General and administrative expenses	104,879	-	104,879
Fundraising expenses	72,165	-	72,165
Total Supporting Activities Expenses	<u>177,044</u>	<u>-</u>	<u>177,044</u>
Total Operating Expenses	<u>1,106,084</u>	<u>-</u>	<u>1,106,084</u>
Change in net assets	68,431	-	68,431
Net assets - beginning of year	<u>466,757</u>	<u>-</u>	<u>466,757</u>
Net assets - end of year	<u>\$ 535,188</u>	<u>\$ -</u>	<u>\$ 535,188</u>

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Cash received from contributions	1,144,833	1,173,120
Cash received from interest	5,154	199
Other cash received	70,700	1,196
Cash paid to suppliers and employees	(1,058,644)	(1,101,391)
Net Cash Provided by Operating Activities	162,043	73,124
Cash Flows from Investing Activities		
Cash paid for property and equipment	(25,087)	-
Purchase of demand and time certificates	(298,946)	-
Net Cash Used in Investing Activities	(324,033)	-
Cash Flows from Financing Activities		
Long term debt proceeds	-	143,870
Net Increase (Decrease) in Cash and Cash Equivalents	(161,990)	216,994
Cash and Cash Equivalents - Beginning of Year	688,861	471,867
Cash and Cash Equivalents - End of Year	\$ 526,871	\$ 688,861
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in net assets	293,526	68,431
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on extinguishment of debt (PPP loan)	(143,870)	-
Depreciation	4,812	6,333
Loss on disposition of property and equipment	-	10,256
Decrease (increase) in employee receivable	2	749
Decrease (increase) in prepaid expenses	(1,000)	1,996
Increase (decrease) in accounts payable	4,627	(2,401)
Increase (decrease) in credit cards payable	3,946	(12,240)
Net Cash Provided by Operating Activities	\$ 162,043	\$ 73,124

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	604,633	50,984	84,369	739,986
Contracted labor	64,600	-	-	64,600
Campus ministry expenses	58,902	-	-	58,902
Staff support and development	41,670	-	-	41,670
Professional development	14,750	-	-	14,750
Staff recruiting	726	-	-	726
Communication services	19,199	1,027	1,966	22,192
Dues and memberships	-	1,080	1,080	2,160
Promotional	8,855	554	811	10,220
Support development	20,285	-	8,282	28,567
Bank and merchant fees	-	20,318	-	20,318
Insurance	3,047	4,920	-	7,967
Payroll services	-	2,045	-	2,045
Payroll tax and licenses	11,371	2,549	1,587	15,507
Professional fees	5,498	30,411	400	36,309
Repairs	300	-	-	300
Depreciation expense	4,812	-	-	4,812
Total	<u>\$ 858,648</u>	<u>\$ 113,888</u>	<u>\$ 98,495</u>	<u>\$ 1,071,031</u>

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	551,041	46,157	49,951	647,149
Contracted labor	57,432	-	958	58,390
Campus ministry expenses	129,511	-	-	129,511
Staff support and development	28,869	-	-	28,869
Professional development	11,316	-	-	11,316
Staff recruiting	2,943	-	-	2,943
Communication services	25,426	-	3,213	28,639
Dues and memberships	-	1,185	-	1,185
Promotional	10,962	2,569	1,357	14,888
Charitable contributions	67,500	-	-	67,500
Support development	16,619	-	16,537	33,156
Bank and merchant fees	-	15,204	-	15,204
Insurance	3,194	4,772	-	7,966
Payroll services	-	2,284	-	2,284
Payroll tax and licenses	7,148	1,712	149	9,009
Bookkeeping	-	27,496	-	27,496
Professional fees	-	3,500	-	3,500
Repairs	490	-	-	490
Depreciation expense	6,333	-	-	6,333
Loss on disposition of property and equipment	10,256	-	-	10,256
Total General and Administrative Expenses	<u>\$ 929,040</u>	<u>\$ 104,879</u>	<u>\$ 72,165</u>	<u>\$ 1,106,084</u>

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 Organization and Vision

Impact Campus Ministries, Inc. (ICM) was organized in 2010 and is a non-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization is governed by a board of directors who serve without compensation as volunteers. ICM plans campus ministries throughout the United States to encourage students to accept Jesus Christ as Lord and Savior, to connect college students with God and establish them in Christ's church, and to work in teams to pursue, model, and teach intimacy with God within the college campus setting. The Organization receives a majority of its support and revenues from contributions made by the general public.

NOTE 2 Summary of Significant Accounting Policies

Basis of Accounting - The Organization uses the accrual basis of accounting. Revenues are recognized as earned, and expenses are recognized when incurred.

Cash - For purposes of the statement of cash flows, cash equivalents include money market mutual funds, time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. The Organization has no requirement to hold cash in separate accounts.

Accounts Receivable - No allowance for uncollectible accounts is calculated by the Organization since all receivables were deemed to be collectible.

Property and Equipment - The cost of property and equipment is depreciated over the estimated useful lives of the assets. Major expenditures costing at least \$1,000 which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed on the straight-line method for financial reporting purposes. The useful lives of property and equipment for purposes of computing depreciation are 5 to 7 years for office furniture and equipment and 15 years for leasehold improvements. Depreciation expense for the years ended June 30, 2021 and 2020 was \$4,812 and \$6,333, respectively.

Net Assets - Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

NOTE 2 Summary of Significant Accounting Policies (Continued)

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Contributed Services - The Organization estimates that during the fiscal years ended June 30, 2021 and 2020 321 people volunteered for 15,750 hours in 2021 and 140 people volunteered for 8,437 hours in 2020. No amounts have been reflected in the statement for donated services since none are specialized and, therefore these services do not meet the criteria for recognition as contributed services.

Contributions - Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Advertising Costs - Are expensed as incurred. Promotional expenses of \$10,220 and \$14,888 were recognized during the fiscal years ending June 30, 2021 and 2020, respectively.

Income Tax Status - The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code except for income, if any, derived from unrelated business. The Organization's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates - The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses, and actual results may differ from estimated amounts.

Cost Allocation - 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. Personnel costs are charged based on an allocation of time spent by program. Expenses, if not charged directly to programs, are generally allocated to programs based on each program's percentage of personnel costs.

Revenue Recognition – The Organization has implemented ASU 2014-09 *Revenue from Contracts with Customers*, and has applied the five-step process to their contract revenue. The Organization has determined that it has no earnings from contract revenue that would be subject to the requirements of ASU 2014-09, *Revenue from Contracts with Customers*.

NOTE 2 Summary of Significant Accounting Policies (Continued)

Subsequent Events - Subsequent events have been evaluated through the date of the review report. This is the date the financial statements were available to be issued. The Organization has concluded that no material subsequent events have occurred.

NOTE 3 Investments

During the fiscal 2021 the Organization invested excess cash reserves in demand and time certificates offered by The Solomon Foundation, a non-profit financial organization that raises investment dollars from investors and lends those funds to churches within the Restoration Movement for refinancing, church building, acquisitions, and other construction projects. Demand certificates offer an interest rate that may be adjusted on a monthly basis and that permits additions of principal and partial withdrawals at any time without any penalty or service fee upon request. Time certificates are investment certificates with an interest rate that remains fixed through its term. At June 30, 2021 the Organization held \$48,946 in demand certificates with an interest rate of 2.80% and \$250,000 in time certificates maturing on February 10, 2026 with an interest rate of 4.80%. The Organization carries the balances at cost as the intention of management is to hold the demand certificates until they are redeemed or until the time certificates mature. Investments offered by The Solomon Foundation are not bank deposits or obligations and are not insured by the Federal Deposit Insurance Corporation (FDIC), the Securities Investor Protection Corporation (SIPC) or any other federal or state agency.

NOTE 4 Liquidity and Availability of Resources

As of June 30, 2021 and 2020 the Organization had financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures of \$575,817 and \$688,863, respectively. At June 30, 2021 these financial assets consisted of cash of \$526,871 and investments (demand certificates) of \$48,946. As of June 30, 2020 the financial assets consisted of cash of \$688,861 and an employee receivable of \$2. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 5 Concentration of Credit Risk

Impact Campus Ministries, Inc. maintains its cash balances at two financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 at an institution for fiscal year-end 2021 and 2020. At fiscal year-end 2021 and 2020 cash exceeded FDIC insurance by \$254,463 and \$270,412 respectively.

NOTE 6 Paycheck Protection Program (PPP) Loan

On May 1, 2020, the Organization received \$143,870 from the Small Business Administration through the Paycheck Protection Program (PPP) as a result of the CARES Act signed into law on March 27, 2020. The Organization has applied ASC 470, *Debt*, to the loan and has shown the loan amount as a liability as of June 30, 2020. On December 10, 2020, the Organization received communication from its lender (JP Morgan Chase Bank) that the bank had received funds from the Small Business Administration as payment of the Organization's PPP loan in full. This was recorded as gain on extinguishment of debt.

NOTE 7 Implementation of ASU 2014-09, *Revenue from Contracts with Customers*

Effective in fiscal year 2021, the Organization has implemented ASU 2014-09, *Revenue from Contracts with Customers*, and has retrospectively applied the five-step process to their contract revenue for fiscal year 2020. There was no change in the revenue reported in fiscal year 2020 based on the retrospective application.

NOTE 8 COVID-19

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. There have been mandates from governing authorities requiring forced closures of schools, businesses, and other facilities and organizations. While the disruption is expected to be temporary, the current circumstances are evolving and dynamic. The full extent and duration of the impact of COVID-19 on the Organization's operations and financial performance is currently unknown, and depends on future developments that are uncertain and unpredictable. The impact may have a material adverse impact on the Organization's business, results of operations, financial position, and cash flows.