

IMPACT CAMPUS MINISTRIES, INC.

Moscow, Idaho

**Reviewed Financial Statements
For the Years Ended June 30, 2020 and 2019**

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, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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.

Hayden Ross, PLLC

Moscow, Idaho
November 6, 2020

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets		
Cash	688,861	471,867
Employee receivable	2	751
Prepaid expenses	-	1,996
Total Current Assets	688,863	474,614
Property and Equipment		
Office furniture and equipment	22,138	43,429
Leasehold improvements	-	5,134
Less: accumulated depreciation	(19,087)	(28,923)
Net Property and Equipment	3,051	19,640
TOTAL ASSETS	\$ 691,914	\$ 494,254
TOTAL LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	4,549	6,950
Credit cards payable	8,307	20,547
Current portion of PPP loan	55,265	-
Total Current Liabilities	68,121	27,497
Noncurrent liabilities		
Noncurrent portion of PPP loan	88,605	-
Total Liabilities	156,726	27,497
Net Assets		
Without donor restrictions	535,188	466,757
Total Net Assets	535,188	466,757
Total Liabilities and Net Assets	\$ 691,914	\$ 494,254

IMPACT CAMPUS MINISTRIES, INC.

Moscow, Idaho

STATEMENT 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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	1,136,906	-	1,136,906
Rental income	8,725	-	8,725
Miscellaneous income	978	-	978
Interest income	193	-	193
Total Revenue, Grants and Other Support	<u>1,146,802</u>	<u>-</u>	<u>1,146,802</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	637,882	-	637,882
Other campus ministries expenses	246,569	-	246,569
Total Program Services Expenses	<u>884,451</u>	<u>-</u>	<u>884,451</u>
Supporting Activities			
General and administrative expenses	92,801	-	92,801
Fundraising expenses	67,693	-	67,693
Total Supporting Activities Expenses	<u>160,494</u>	<u>-</u>	<u>160,494</u>
Total Operating Expenses	<u>1,044,945</u>	<u>-</u>	<u>1,044,945</u>
Change in net assets	101,857	-	101,857
Net assets - beginning of year	<u>364,900</u>	<u>-</u>	<u>364,900</u>
Net assets - end of year	<u>\$ 466,757</u>	<u>\$ -</u>	<u>\$ 466,757</u>

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Cash received from contributions	1,173,120	1,136,906
Cash received from rental income	-	8,725
Cash received from interest	199	193
Other cash received	1,196	978
Cash paid to suppliers and employees	(1,101,391)	(1,016,086)
Net Cash Provided by Operating Activities	73,124	130,716
Cash Flows from Investing Activities		
Cash paid for property and equipment	-	(3,193)
Cash Flows from Financing Activities		
Long term debt proceeds	143,870	-
Net Increase in Cash and Cash Equivalents	216,994	127,523
Cash and Cash Equivalents - Beginning of Year	471,867	344,344
Cash and Cash Equivalents - End of Year	\$ 688,861	\$ 471,867
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in net assets	68,431	101,857
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,333	10,806
Loss on disposition of property and equipment	10,256	449
Decrease (increase) in employee receivable	749	(751)
Decrease (increase) in prepaid expenses	1,996	1,616
Decrease (increase) in support materials	-	321
Increase (decrease) in accounts payable	(2,401)	(923)
Increase (decrease) in credit cards payable	(12,240)	17,341
Net Cash Provided by Operating Activities	\$ 73,124	\$ 130,716

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

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

	<u>Program</u>	<u>Management and General</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 & 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 & 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	<u>\$ 929,040</u>	<u>\$ 104,879</u>	<u>\$ 72,165</u>	<u>\$ 1,106,084</u>

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2019

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	637,882	28,039	35,049	700,970
Contracted labor	18,641	838	1,466	20,945
Campus ministry expenses	91,706	-	-	91,706
Staff support & development	40,753	3,064	641	44,458
Professional development	8,118	-	-	8,118
Staff recruiting	8,134	-	-	8,134
Communication services	19,351	3,559	3,031	25,941
Dues & memberships	-	2,160	-	2,160
Promotional	14,646	739	1,137	16,522
Support development	21,000	-	25,755	46,755
Bank and merchant fees	-	14,948	-	14,948
Insurance	-	7,871	-	7,871
Payroll services	-	2,234	-	2,234
Payroll tax and licenses	11,163	501	614	12,278
Bookkeeping	-	24,783	-	24,783
Professional fees	-	4,065	-	4,065
Repairs	1,802	-	-	1,802
Depreciation expense	10,806	-	-	10,806
Loss on disposition of property and equipment	449	-	-	449
Total General and Administrative Expenses	<u>\$ 884,451</u>	<u>\$ 92,801</u>	<u>\$ 67,693</u>	<u>\$ 1,044,945</u>

IMPACT CAMPUS MINISTRIES, INC.
Moscow, Idaho

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020 and 2019

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 ending June 30, 2020 and 2019 was \$6,333 and \$10,806, respectively.

NOTE 2 Summary of Significant Accounting Policies (Continued)

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.

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, 2020 and 2019 140 people volunteered for 8,437 hours in 2020 and 129 people volunteered for 2,089 hours in 2019. 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 \$14,888 and \$16,522 were recognized during the fiscal years ending June 30, 2020 and 2019, 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 2018, 2019, and 2020 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

NOTE 2 Summary of Significant Accounting Policies (Continued)

programs, are generally allocated to programs based on each program's percentage of personnel costs.

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 Liquidity and Availability of Resources

The Organization has \$688,863 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$688,861 and other receivables 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. The other receivables are subject to implied time restrictions but are expected to be collected within one year. 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 4 Leases

The Organization entered into a cost-sharing arrangement for campus housing with a church in one of its locations. The Organization agreed to pay utilities and insurance premiums for the facility but no rent is required. The arrangement with the church can be called with sixty days' notice. The Organization sub-leases the campus housing to students under operating leases with terms that are either month to month or by semester. All leases have terms less than one year and no future minimum rentals were considered material for disclosure. The lease was terminated effective July 1, 2019.

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 2020 and 2019. At fiscal year-end 2020 and 2019 cash exceeded FDIC insurance by \$270,412 and \$209,642 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 liability as of June 30, 2020. The Organization is in the process of applying for loan forgiveness and believes it has met the PPP's eligibility criteria for loan forgiveness. Upon approval of the forgiveness, a gain on extinguishment will be recorded.

NOTE 7 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.