

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

FINANCIAL STATEMENTS

June 30, 2022

(with comparative totals for 2021)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
International Funders for Indigenous Peoples, Inc.
San Francisco, California

Opinion

We have audited the accompanying financial statements of International Funders for Indigenous Peoples, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year 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 International Funders for Indigenous Peoples, Inc. (the Organization) as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization'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, including omissions, 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from International Funders for Indigenous Peoples, Inc.'s reviewed financial statements for the year ended June 30, 2021, and in our report dated February 9, 2022, we were not aware of any material modifications that should be made on those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Long Beach, California
December 15, 2022

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

ASSETS

	2022	2021
	(Audited)	(Reviewed)
ASSETS		
Cash and cash equivalents	\$ 1,125,346	\$ 746,056
Receivables	30,000	160,000
Prepaid expenses and other assets	16,344	2,442
Property and equipment, net	<u>8,327</u>	<u>1,800</u>
TOTAL ASSETS	<u>\$ 1,180,017</u>	<u>\$ 910,298</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued expenses	\$ 77,472	\$ 4,492
Accrued payroll and vacation	19,107	17,942
Deferred rent	<u>2,629</u>	<u>-</u>
	<u>99,208</u>	<u>22,434</u>

COMMITMENTS AND CONTINGENCIES (NOTE 9)

NET ASSETS

Without donor restrictions		
Undesignated	<u>697,809</u>	<u>557,864</u>
	<u>697,809</u>	<u>557,864</u>
With donor restrictions	<u>383,000</u>	<u>330,000</u>
Total net assets	<u>1,080,809</u>	<u>887,864</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,180,017</u>	<u>\$ 910,298</u>
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The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2022</u>	<u>2021</u>
			<u>(Audited)</u>	<u>(Reviewed)</u>
SUPPORT AND REVENUE				
Grants and contributions	\$ 325,641	\$ 275,000	\$ 600,641	\$ 119,802
Membership revenue	255,250	-	255,250	220,250
Earned income	28,355	-	28,355	45,314
PPP loan forgiveness	-	-	-	34,612
Interest income	13	-	13	-
Net assets released from restriction	<u>222,000</u>	<u>(222,000)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>831,259</u>	<u>53,000</u>	<u>884,259</u>	<u>419,978</u>
EXPENSES				
Program	527,022	-	527,022	282,941
Management and general	104,411	-	104,411	46,843
Fundraising	<u>59,881</u>	<u>-</u>	<u>59,881</u>	<u>23,043</u>
Total expenses	<u>691,314</u>	<u>-</u>	<u>691,314</u>	<u>352,827</u>
CHANGES IN NET ASSETS	139,945	53,000	192,945	67,151
NET ASSETS, BEGINNING OF YEAR	<u>557,864</u>	<u>330,000</u>	<u>887,864</u>	<u>820,713</u>
NET ASSETS, END OF YEAR	<u>\$ 697,809</u>	<u>\$ 383,000</u>	<u>\$ 1,080,809</u>	<u>\$ 887,864</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	
				<u>2022</u>	<u>2021</u>
				<u>(Audited)</u>	<u>(Reviewed)</u>
EXPENSES					
Personnel costs	\$ 285,559	\$ 18,375	\$ 42,676	\$ 346,610	\$ 190,993
Professional fees	99,993	59,139	12,790	171,922	77,346
Phone, software, and bank fees	38,810	9,519	2,157	50,486	29,827
Occupancy	7,231	3,998	809	12,038	9,976
Travel and conference expenses	79,318	10,776	13	90,107	32,890
Other operating costs	<u>16,111</u>	<u>2,604</u>	<u>1,436</u>	<u>20,151</u>	<u>11,795</u>
	<u>\$ 527,022</u>	<u>\$ 104,411</u>	<u>\$ 59,881</u>	<u>\$ 691,314</u>	<u>\$ 352,827</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

	2022	2021
	(Audited)	(Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 192,945	\$ 67,151
Adjustments to reconcile change in net assets to net cash from operating activities:		
PPP loan forgiveness	-	(34,612)
Depreciation and amortization	721	-
Change in operating assets and liabilities:		
Receivables	130,000	214,100
Prepaid expenses and other assets	(13,902)	6,063
Accounts payable and accrued expenses	72,980	(10,934)
Accrued payroll and vacation	1,165	3,132
Deferred rent	2,629	-
Net Cash Provided By Operating Activities	<u>386,538</u>	<u>244,900</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchases of property and equipment	<u>(7,248)</u>	-
Net Cash Used In Financing Activities	<u>(7,248)</u>	-
NET CHANGE IN CASH AND EQUIVALENTS	379,290	244,900
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	<u>746,056</u>	<u>501,156</u>
CASH AND EQUIVALENTS AT END OF YEAR	<u>\$ 1,125,346</u>	<u>\$ 746,056</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

NOTE 1 – Organization

International Funders for Indigenous Peoples, Inc. (the Organization) is a nonprofit organization formed under New York laws that was incorporated on April 6, 2005. The Organization moved to San Francisco during 2013. The purpose of the Organization is to provide a voice for the increased, dedicated funding for the Indigenous Peoples' rights and self-determined initiatives and a venue for communications and resource sharing among international funders of indigenous peoples.

The Organization offers annual and regional conferences devoted to convening and educating donors and Indigenous Peoples to build capacity and enhance funding partnerships that improve the lives of Indigenous Peoples around the world. The Organization also acts as a resource for Indigenous Peoples and funding sources. The Organization received funding from foundation grants, contributions, memberships, and conference revenue.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Organization reports information regarding its financial position and activities on an accrual basis according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions. These also may be designated for specific purposes by action of the Board of Directors.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that may be temporary in nature and that will be met either by actions of the Organization or the passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Other donor stipulations are perpetual in nature. At June 30, 2022, the Organization had no net assets with donor restrictions that are restricted in perpetuity.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior-Year Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers cash on hand, amounts due from banks, and savings instruments with a maturity of less than three months to be cash and cash equivalents. The Organization maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Receivables

Receivables mainly consist of grants and contributions receivables. Management estimates an allowance for doubtful accounts based on historical collection trends, type of customer, the age of outstanding receivables, and existing economic conditions. Past due receivable balances are written off when internal collection efforts have been unsuccessful in collecting the amount due. At June 30, 2022, the Organization evaluated the collectability of receivables and determined that no allowance for doubtful accounts was necessary.

Discounts for receivables due over one year are recorded as reductions to contribution revenue and receivables when deemed material. The Organization did not discount any long-term receivables due to the immaterial nature of the discount.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost if purchased, or at fair value at the date of donation, if donated. Depreciation and amortization are provided on a straight-line basis over the useful lives of the assets as follows:

Furniture, fixtures, & equipment	3 - 5 years
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The Organization capitalizes assets costing \$1,500 and over that meet its capitalization criteria. Expenditures for major renewals and betterments that extend the useful lives of the property and equipment are capitalized. At the time of retirement or disposition of property and equipment, the cost and related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities. Expenditures for maintenance and repairs are charged to expense as incurred.

Deferred Rent Liability

The Organization leases office space under a lease agreement that is subject to scheduled rent increases. The scheduled rent increases are amortized evenly over the term of the lease. The deferred rent liability represents the difference between cash payments made and the amount expensed since the inception of the lease.

Revenue Recognition

Earned income is generally recognized as the Organization's performance obligations are satisfied, in an amount that reflects the consideration the Organization expects to receive.

Unconditional contributions, including promises to give, are recognized as revenue and support in the period received and recorded at estimated fair value. Revenue and support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Membership dues are considered unconditional contributions.

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 substantially met.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Functional Expenses

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on the percentage of salary allocated to a specific program.

Concentration of Credit Risk

The Organization places its cash and cash equivalents with high-credit, quality financial institutions. At times, such cash may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk on its cash and cash equivalents.

With respect to contributions receivable, the Organization routinely assesses the financial strength of its donors and, as a consequence, believes that the receivable credit risk exposure is limited.

Income Taxes

The Organization is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The Internal Revenue Service has determined the Organization is not a private foundation under Section 509(a)(2). Management of the Organization considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax; therefore, no provision for income taxes has been provided in these financial statements.

The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal purposes is three years and for California is four years.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Donated Services and Items

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time to the Organization. The services that these individuals rendered, however, do not meet the above criteria and, as such, are not recognized as revenue.

Recently Adopted Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, disaggregate the amount of contributed nonfinancial assets by category that depicts the type of nonfinancial assets, and provide additional information related to the monetization, utilization, and valuation of the contributed nonfinancial assets. The Organization adopted the standard during the year ended June 30, 2022. The Organization had no nonfinancial assets contributed during the fiscal year.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in *Leases (Topic 840)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The ASU is effective for annual reporting periods beginning after December 15, 2021 (effective for the Organization's fiscal year ended June 30, 2023). The Organization is currently evaluating the impact of the adoption of the new standard on the financial statements.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Organization has evaluated subsequent events through December 15, 2022, which is the date the financial statements were available to be issued and determined that there are no further items that are required to be disclosed.

NOTE 3 – Liquidity

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Financial assets at year-end	
Cash	\$ 1,125,346
Receivables	<u>30,000</u>
	1,155,346
Less amounts not available to be used within one year due to:	
Donor-imposed purpose or time restrictions	<u>(153,000)</u>
	(153,000)
Financial assets available to meet general expenditures within one year	<u><u>\$ 1,002,346</u></u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

NOTE 4 – Receivables

Receivables at June 30, 2022 are expected to be collected as follows:

Within one year	\$ 30,000
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The Organization's receivables are composed of one funder. Credit risk associated with these receivables is considered limited due to historical collection rates.

NOTE 5 – Property and Equipment

The Organization's property and equipment consisted of the following:

	<u>2022</u> <u>(Audited)</u>	<u>2021</u> <u>(Reviewed)</u>
Furniture, fixtures, & equipment	\$ 9,048	\$ 1,800
Less accumulated depreciation	<u>(721)</u>	<u>-</u>
Property and equipment, net	<u>\$ 8,327</u>	<u>\$ 1,800</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$721 and \$0, respectively.

NOTE 6 – PPP Loan

In March 2020, Congress passed the Paycheck Protection Program (PPP), authorizing loans to small businesses for use in paying employees that they continue to employ throughout the COVID-19 pandemic and for rent, utilities, and interest on mortgages. Loans obtained through the PPP are eligible to be forgiven as long as the proceeds are used for qualifying purposes and certain other conditions are met.

In May 2020, the Organization received a loan in the amount of \$34,612 through the PPP. In February 2021, the Organization received its approval notification for forgiveness of the loan in full from the Small Business Administration; as a result, the forgiveness is recognized as revenue for the year ended June 30, 2021 in the statement of activities.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)**

NOTE 7 – Net Assets With Donor Restrictions

The following is a summary of the Organization’s net assets with donor restrictions:

	<u>Balance at</u> <u>6/30/2021</u>	<u>Contributions</u>	<u>Releases</u>	<u>Balance at</u> <u>6/30/2022</u>
Net assets with donor restrictions:				
Indigenous led funds	\$ 51,000	\$ -	\$ (43,000)	\$ 8,000
Indigenous women	15,000	-	(15,000)	-
Indigenous territories	-	15,000	-	15,000
Time	<u>264,000</u>	<u>260,000</u>	<u>(164,000)</u>	<u>360,000</u>
	<u>\$ 330,000</u>	<u>\$ 275,000</u>	<u>\$ (222,000)</u>	<u>\$ 383,000</u>
	-			

NOTE 8 – Commitments and Contingencies

Lease

The Organization entered into a 42-month agreement to lease office space, which expires in October 2025. Future minimum lease commitments are as follows:

<u>Year Ending</u> <u>June 30,</u>	
2023	\$ 15,054
2024	16,865
2025	17,348
2026	<u>5,941</u>
	<u>\$ 55,208</u>

Rent expense for the years ended June 30, 2022 and 2021, was \$11,317 and \$8,688, respectively.

INTERNATIONAL FUNDERS FOR INDIGENOUS PEOPLES, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR 2021)

NOTE 8 – Commitments and Contingencies (Continued)

Litigation

In the normal course of business, the Organization may become a party to litigation. Management believes there are no asserted or unasserted claims or contingencies that would have a significant impact on the financial statements of the Organization as of June 30, 2022.

Business Risks Associated with the Impact of COVID-19

Because of the severity and global nature of the COVID-19 pandemic, the impact on the Organization's business could be significant and have a material impact on its financial position and operating results. There continues to be significant uncertainty and management continues to evaluate the potential future impact on its business and financial statements. The Organization has taken steps to mitigate the risks associated with COVID-19, including holding the annual conference virtually, reducing travel, and establishing an Operating Reserve Fund to keep at least six months of operating expense in reserve.

NOTE 9 – Retirement Plan

The Organization provides a retirement program for eligible full-time employees. The Organization will match employee contributions and/or contribute up to five percent of the annual salary to the employee's retirement plan when the employee becomes vested after one year of employment. The Organization's percentage contributions to the retirement program are reviewed and determined annually by the Board of Directors. The Organization contributed \$9,977 and \$8,476 to the plan for the years ended June 30, 2022 and 2021, respectively.

NOTE 10 – Professional Fees

The Organization utilizes consultants for a range of services, including accounting, auditing and tax, financial management, human resources, information technology, fundraising, legal and compliance, and communications. The Organization also uses consultants for its annual conference and for strategic planning. These expenses are categorized as professional fees in the statement of functional expenses and are classified based on service performed.