



# **NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2020 and 2019**

**With Independent Auditor's Report**





## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Natural Resources Council of Maine and Subsidiary

We have audited the accompanying consolidated financial statements of Natural Resources Council of Maine and Subsidiary, which comprise the consolidated statements of financial position as of March 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Natural Resources Council of Maine and Subsidiary as of March 31, 2020 and 2019, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

*Berry Dunn McNeil & Parker, LLC*

Portland, Maine  
June 25, 2020

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Consolidated Statements of Financial Position

March 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
Cash	\$ 1,292,465	\$ 1,294,841
Prepaid expenses and other assets	65,436	74,730
Contributions and grants receivable	1,153,448	985,689
Property and equipment, net of accumulated depreciation	450,763	433,264
Gifts of future interests	868,175	885,823
Investments	<u>8,553,093</u>	<u>8,454,213</u>
Total assets	<u>\$12,383,380</u>	<u>\$12,128,560</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 156,859	\$ 175,158
Gift annuities payable	<u>144,927</u>	<u>133,203</u>
Total liabilities	<u>301,786</u>	<u>308,361</u>
Net assets		
Without donor restrictions		
Board-designated for investment	6,909,940	6,605,370
Invested in property and equipment	450,763	433,264
Undesignated	<u>1,157,297</u>	<u>946,876</u>
Total net assets without donor restrictions	8,518,000	7,985,510
With donor restrictions	<u>3,563,594</u>	<u>3,834,689</u>
Total net assets	<u>12,081,594</u>	<u>11,820,199</u>
Total liabilities and net assets	<u>\$12,383,380</u>	<u>\$12,128,560</u>

---

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

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Consolidated Statement of Activities**

**Year Ended March 31, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue, gains, and other support			
Membership and major donors - NRCM	\$ 1,638,242	\$ 77,353	\$ 1,715,595
Foundations	343,808	444,039	787,847
Miscellaneous income	15,336	-	15,336
Donated services	23,475	48	23,523
Investment appropriation withdrawn for operations	378,500	-	378,500
Net assets released from restrictions	<u>1,527,941</u>	<u>(1,527,941)</u>	<u>-</u>
Total operating revenue, gains, and other support	<u>3,927,302</u>	<u>(1,006,501)</u>	<u>2,920,801</u>
Operating expenses			
Climate and clean energy	503,759	-	503,759
Sustainable Maine	235,333	-	235,333
Forests and wildlife	191,920	-	191,920
Healthy waters	166,109	-	166,109
Lobbying	71,988	-	71,988
Emerging issues	329,796	-	329,796
Communications	407,533	-	407,533
Outreach	208,999	-	208,999
Federal	222,127	-	222,127
Management and general	322,186	-	322,186
Development and fundraising	254,562	-	254,562
Action Fund	<u>5,938</u>	<u>-</u>	<u>5,938</u>
Total operating expenses	<u>2,920,250</u>	<u>-</u>	<u>2,920,250</u>
Net operating income (loss)	<u>1,007,052</u>	<u>(1,006,501)</u>	<u>551</u>
Non-operating income (loss)			
Capital campaign contributions	692,895	862,016	1,554,911
Capital campaign expenses	(338,576)	-	(338,576)
Contributions restricted for tomorrow's leaders	-	35,000	35,000
Contributions, Board-designated	222,002	-	222,002
Change in value and donation of gift annuities	(8,971)	-	(8,971)
Investment loss net of amounts drawn for operations	<u>(1,041,912)</u>	<u>(161,610)</u>	<u>(1,203,522)</u>
Net non-operating income	<u>(474,562)</u>	<u>735,406</u>	<u>260,844</u>
Change in net assets	532,490	(271,095)	261,395
Net assets, beginning of year	<u>7,985,510</u>	<u>3,834,689</u>	<u>11,820,199</u>
Net assets, end of year	<u>\$ 8,518,000</u>	<u>\$ 3,563,594</u>	<u>\$ 12,081,594</u>

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

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Consolidated Statement of Activities**

**Year Ended March 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue, gains, and other support			
Membership and major donors - NRCM	\$ 1,699,915	\$ 96,478	\$ 1,796,393
Membership and major donors - Action Fund	-	27,000	27,000
Foundations	217,810	643,308	861,118
Miscellaneous income	7,440	-	7,440
Donated services	11,626	69,450	81,076
Investment appropriation withdrawn for operations	243,590	-	243,590
Net assets released from restrictions	<u>1,426,837</u>	<u>(1,426,837)</u>	<u>-</u>
Total operating revenue, gains, and other support	<u>3,607,218</u>	<u>(590,601)</u>	<u>3,016,617</u>
Operating expenses			
Climate and clean energy	528,526	-	528,526
Sustainable Maine	200,692	-	200,692
Forests and wildlife	257,469	-	257,469
Healthy waters	190,773	-	190,773
Lobbying	17,809	-	17,809
Emerging issues	388,418	-	388,418
Communications	385,290	-	385,290
Outreach	171,782	-	171,782
Federal	245,563	-	245,563
Management and general	331,059	-	331,059
Development and fundraising	257,128	-	257,128
Action Fund	<u>34,751</u>	<u>-</u>	<u>34,751</u>
Total operating expenses	<u>3,009,260</u>	<u>-</u>	<u>3,009,260</u>
Net operating income (loss)	<u>597,958</u>	<u>(590,601)</u>	<u>7,357</u>
Non-operating income (loss)			
Capital campaign contributions	416,193	2,830,263	3,246,456
Capital campaign expenses	(287,329)	-	(287,329)
Contributions, Board-designated	250	-	250
Change in value and donation of gift annuities	7,834	-	7,834
Investment gain net of amounts drawn for operations	<u>(98)</u>	<u>31,724</u>	<u>31,626</u>
Net non-operating income	<u>136,850</u>	<u>2,861,987</u>	<u>2,998,837</u>
Change in net assets	734,808	2,271,386	3,006,194
Net assets, beginning of year	<u>7,250,702</u>	<u>1,563,303</u>	<u>8,814,005</u>
Net assets, end of year	<u>\$ 7,985,510</u>	<u>\$ 3,834,689</u>	<u>\$ 11,820,199</u>

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

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Consolidated Statement of Functional Expenses

Year Ended March 31, 2020

	Climate and Clean Energy	Sustain- able Maine	Forests and Wildlife	Healthy Waters	Lobbying	Emerging Issues	Commun- ications	Outreach	Federal	Total Programs	Allocated Overhead and Member Engage- ment	Manage- ment and General	Development and Fundraising	Develop- ment and Fund- raising - Campaign	Action Fund	Total Expenses
Personnel																
Salaries and wages	\$ 263,252	\$ 117,843	\$ 90,797	\$ 58,795	\$ 42,749	\$ 154,995	\$ 161,852	\$ 75,287	\$ 106,486	\$ 1,072,056	\$ 416,289	\$ 146,894	\$ 70,767	\$ 74,459	\$ 3,859	\$ 1,784,324
Payroll taxes and employee benefits	84,056	36,158	27,373	18,503	12,875	48,602	49,482	23,823	34,013	334,885	126,034	45,956	20,836	23,374	575	551,660
Professional services	1,793	1,213	2,223	29,402	2,084	1,491	16,594	10,189	83	65,072	61,208	300	247	168,590	500	295,917
Total personnel	349,101	155,214	120,393	106,700	57,708	205,088	227,928	109,299	140,582	1,472,013	603,531	193,150	91,850	266,423	4,934	2,631,901
Other expenses																
Telephone	840	490	596	420	-	980	420	420	490	4,656	11,376	-	840	-	-	16,872
Advertising	2,579	205	95	300	558	-	31,956	1,876	1,135	38,704	-	525	334	-	-	39,563
Postage	1,047	42	10	1	-	1,497	20,512	71	141	23,321	7,102	607	27,118	1,526	-	59,674
Printing	3,102	1,990	1,170	591	201	12,215	25,171	1,295	2,191	47,926	9,846	1,485	53,691	6,769	-	119,717
Travel	8,650	2,721	3,128	382	31	6,050	882	2,579	979	25,402	5,061	1,700	499	8,934	-	41,596
Conferences and meetings	8,136	1,710	262	449	-	5,296	1,345	6,568	5,835	29,601	11,969	7,135	1,490	17,478	-	67,673
Subscriptions and dues	373	519	1,140	-	-	3,525	4,389	514	665	11,125	-	3,867	2,131	-	379	17,502
Occupancy	-	-	-	-	-	-	-	-	-	-	45,172	-	-	-	-	45,172
Insurance	-	-	-	-	-	-	-	-	-	-	17,482	-	-	-	-	17,482
Equipment maintenance	-	-	-	-	-	-	-	14,682	-	14,682	46,634	16,591	12,250	-	-	90,157
Depreciation	-	-	-	-	-	-	-	-	-	-	53,085	-	-	-	-	53,085
Bank charges	-	-	-	-	-	-	-	-	-	-	-	658	-	-	-	658
Supplies	-	-	-	-	-	-	-	-	-	-	4,355	602	-	-	-	4,957
Cost of goods sold	-	-	-	-	-	-	2,284	-	-	2,284	-	-	-	-	-	2,284
Lists	-	-	-	-	-	1,684	-	-	-	1,684	-	-	9,484	-	-	11,168
Miscellaneous	40	4,139	163	-	-	816	746	4,716	69	10,689	2	14,486	487	13,701	-	39,365
Total other expenses	24,767	11,816	6,564	2,143	790	32,063	87,705	32,721	11,505	210,074	212,084	47,656	108,324	48,408	379	626,925
Allocated overhead	129,891	68,303	64,963	57,266	13,490	92,645	91,900	66,979	70,040	655,477	(815,615)	81,380	54,388	23,745	625	-
Total expenses	\$ 503,759	\$ 235,333	\$ 191,920	\$ 166,109	\$ 71,988	\$ 329,796	\$ 407,533	\$ 208,999	\$ 222,127	\$ 2,337,564	\$ -	\$ 322,186	\$ 254,562	\$ 338,576	\$ 5,938	\$ 3,258,826

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

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Consolidated Statement of Functional Expenses**

**Year Ended March 31, 2019**

	Climate and Clean Energy	Sustain- able Maine	Forests and Wildlife	Healthy Waters	Lobbying	Emerging Issues	Commun- ications	Outreach	Federal	Total Programs	Allocated Overhead and Member Engage- ment	Manage- ment and General	Development and Fundraising	Develop- ment and Fund- raising - Campaign	Action Fund	Total Expenses
Personnel																
Salaries and wages	\$ 247,856	\$ 94,742	\$ 117,549	\$ 59,667	\$ 11,304	\$ 189,138	\$ 152,954	\$ 61,424	\$ 116,412	\$ 1,051,046	\$ 405,147	\$ 120,171	\$ 78,369	\$ 62,936	\$ 8,869	\$ 1,726,538
Payroll taxes and employee benefits	71,088	28,597	35,950	17,975	2,813	55,776	45,319	17,766	35,475	310,759	115,198	42,059	26,258	19,380	2,769	516,423
Professional services	<u>56,838</u>	<u>3,000</u>	<u>320</u>	<u>51,450</u>	<u>1,559</u>	<u>1,297</u>	<u>15,791</u>	<u>2,451</u>	<u>645</u>	<u>133,351</u>	<u>48,791</u>	<u>6,314</u>	<u>533</u>	<u>185,005</u>	<u>3,976</u>	<u>377,970</u>
Total personnel	375,782	126,339	153,819	129,092	15,676	246,211	214,064	81,641	152,532	1,495,156	569,136	168,544	105,160	267,321	15,614	2,620,931
Other expenses																
Telephone	805	420	898	420	-	1,190	245	420	420	4,818	11,702	-	840	-	-	17,360
Advertising	4,763	482	-	-	297	649	35,810	857	265	43,123	-	-	275	-	13,000	56,398
Postage	5,587	599	4	1	40	6,193	19,966	924	1,259	34,573	8,829	608	28,288	435	-	72,733
Printing	7,326	2,871	1,010	592	205	10,920	25,929	1,097	2,690	52,640	6,247	1,342	42,035	7,182	-	109,446
Travel	8,981	2,319	5,844	917	77	5,489	2,302	2,047	2,885	30,861	4,485	1,301	1,135	3,714	2,645	44,141
Conferences and meetings	8,666	3,050	952	312	27	21,638	1,328	11,239	7,682	54,894	18,636	12,380	339	8,077	-	94,326
Subscriptions and dues	660	1,175	345	1,019	75	4,516	3,944	250	229	12,213	-	4,562	1,858	-	463	19,096
Occupancy	-	-	-	-	-	-	-	-	-	-	57,089	-	-	-	-	57,089
Insurance	-	-	-	-	-	-	-	-	-	-	16,687	-	-	-	-	16,687
Equipment maintenance	-	-	-	-	-	-	-	13,868	-	13,868	36,702	17,098	11,785	-	-	79,453
Depreciation	-	-	-	-	-	-	-	-	-	-	51,474	-	-	-	-	51,474
Bank charges	-	-	-	-	-	-	-	-	-	-	-	547	-	-	-	547
Supplies	-	-	-	-	-	-	-	-	-	-	5,660	910	-	-	-	6,570
Cost of goods sold	-	-	-	-	-	-	788	-	-	788	-	-	-	-	-	788
Lists	-	-	-	-	-	5,372	-	-	-	5,372	-	-	11,077	-	-	16,449
Miscellaneous	<u>20</u>	<u>3,775</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>332</u>	<u>690</u>	<u>3,570</u>	<u>1,244</u>	<u>9,695</u>	<u>2,455</u>	<u>19,250</u>	<u>251</u>	<u>600</u>	<u>850</u>	<u>33,101</u>
Total other expenses	<u>36,808</u>	<u>14,691</u>	<u>9,117</u>	<u>3,261</u>	<u>721</u>	<u>56,299</u>	<u>91,002</u>	<u>34,272</u>	<u>16,674</u>	<u>262,845</u>	<u>219,966</u>	<u>57,998</u>	<u>97,883</u>	<u>20,008</u>	<u>16,958</u>	<u>675,658</u>
Allocated overhead	<u>115,936</u>	<u>59,662</u>	<u>94,533</u>	<u>58,420</u>	<u>1,412</u>	<u>85,908</u>	<u>80,224</u>	<u>55,869</u>	<u>76,357</u>	<u>628,321</u>	<u>(789,102)</u>	<u>104,517</u>	<u>54,085</u>	<u>-</u>	<u>2,179</u>	<u>-</u>
Total expenses	<u>\$ 528,526</u>	<u>\$ 200,692</u>	<u>\$ 257,469</u>	<u>\$ 190,773</u>	<u>\$ 17,809</u>	<u>\$ 388,418</u>	<u>\$ 385,290</u>	<u>\$ 171,782</u>	<u>\$ 245,563</u>	<u>\$ 2,386,322</u>	<u>\$ -</u>	<u>\$ 331,059</u>	<u>\$ 257,128</u>	<u>\$ 287,329</u>	<u>\$ 34,751</u>	<u>\$ 3,296,589</u>

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

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Consolidated Statements of Cash Flows**

**Years Ended March 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 261,395	\$ 3,006,194
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	53,085	51,474
Net realized and unrealized loss on investments	1,033,327	55,427
Donated land	(56,500)	-
Increase in gifts of future interests	17,648	(660,046)
Contributions received for long-term purposes	-	(1,000,000)
Decrease (increase) in		
Prepaid expenses and other assets	9,294	(28,658)
Contributions and grants receivable	(167,759)	(621,532)
Increase (decrease) in		
Accounts payable and accrued expenses	(18,299)	15,291
Gift annuities payable	<u>11,724</u>	<u>12,165</u>
Net cash provided by operating activities	<u>1,143,915</u>	<u>830,315</u>
Cash flows from investing activities		
Purchases of investments	(4,960,878)	(4,210,174)
Proceeds from sale of investments	3,828,671	2,269,646
Purchase of property and equipment	<u>(14,084)</u>	<u>(9,970)</u>
Net cash used by investing activities	<u>(1,146,291)</u>	<u>(1,950,498)</u>
Cash flows from financing activities		
Contributions received for long-term purposes	<u>-</u>	<u>1,000,000</u>
Net cash provided by financing activities	<u>-</u>	<u>1,000,000</u>
Net decrease in cash	(2,376)	(120,183)
Cash, beginning of year	<u>1,294,841</u>	<u>1,415,024</u>
Cash, end of year	<u>\$ 1,292,465</u>	<u>\$ 1,294,841</u>
Supplemental disclosures		
Noncash investing activity - donated land, net	\$ 56,500	\$ -

---

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



# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

### Purpose of the Organization and Nature of Activities

The Natural Resources Council of Maine (NRCM) is a 501(c)(3) non-profit membership organization protecting, restoring, and conserving Maine's environment, now and for future generations. Though its office is in Augusta, Maine, it works statewide, harnessing the power of science, the law, and the voices of more than 25,000 members and supporters in Maine and beyond. NRCM works for new safeguards for Maine's land, air, waters, and wildlife, and to defeat threats to existing environmental protections. NRCM's programs focus on improving Maine's air quality and decreasing global warming pollution; improving the health of Maine's waterways; protecting Maine's natural areas and wild, undeveloped character, particularly in the North Woods; and encouraging individuals, communities, and the state to adopt practical and effective measures to reduce wastefulness and embrace a more sustainable future. In early 2017, NRCM launched a Federal program to identify and act on policies in Washington, D.C., that could impact Maine's environment.

The Natural Resources Council of Maine Action Fund, Inc. (Action Fund), a 501(c)(4) organization, was formed in fiscal year 2018. The purpose of the Action Fund is to promote social welfare within the meaning of section 501(c)(4) of the Internal Revenue Code, including but not limited to: (1) building strong political support for protecting, restoring, and conserving Maine's environment, and (2) educating and mobilizing concerned citizens to directly advocate for decreasing air and climate-changing pollution; improving water quality; conserving Maine lands; and promoting sustainable communities.

NRCM is the sole member of Action Fund. The Action Fund board consists of five members, two of whom hold a seat on NRCM's board.

Below is an overview of NRCM's programs:

#### Climate & Clean Energy

Climate change is the most serious environmental threat of our time. NRCM works for policies that will improve Maine's air quality, reduce our dependence on fossil fuels, and curb global warming pollution. NRCM supports cleaner transportation options and initiatives that increase renewable energy, energy efficiency, and conservation to reduce pollution and energy costs.

#### Healthy Waters

Clean and healthy waterways are vital to Maine's environment, economy, and way of life. NRCM supports efforts—including innovative approaches that have become models worldwide—to restore Maine's river systems by addressing obsolete dams that adversely impact fish and wildlife habitat. Since our founding in 1959, NRCM has worked to protect the lakes, rivers, and streams that provide food for fish, birds and wildlife, safe drinking water for communities, and sustain fishing, paddling and other recreational businesses that help Maine's economy thrive.

#### Forests & Wildlife

Maine is home to the largest contiguous temperate broad-leaf forest in the world, supporting unparalleled habitat for many plants and animals, unique opportunities for recreation, and jobs in the forest products and tourism industries. NRCM advocates for increased public land acquisition and sustained funding for land conservation programs. NRCM also supports appropriately sized and

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

located development and sustainable timber management practices that protect sensitive ecosystems, wildlife, and outdoor recreation opportunities vital to Maine's economy.

### Sustainable Maine

In pursuit of a sustainable future, NRCM provides Maine communities the tools they need to reduce climate-disrupting pollution, decrease toxic and solid waste, increase recycling and composting, and discourage littering. NRCM supports resource management strategies that limit the amount of material that becomes waste and is landfilled in our state. NRCM is the go-to resource for Maine communities looking to adopt local sustainability initiatives and the leading advocate for progressive statewide waste reduction policies.

### Federal

Decisions made in Washington, D.C., have lasting effects on Maine's treasured clean water, fresh air, healthy forests, thriving wildlife, and on the health of Maine people and our way of life. Attacks on federal laws that protect our climate, public lands, air, waterways wildlife—as well as the agencies that administer these laws—could set our state back decades. NRCM identifies policies under consideration at the federal level that could impact Maine, and works to defend environmental safeguards by ensuring Maine's elected officials in D.C. stand up for Maine's environment and the wildlife and people who rely upon it for safe, healthy lives.

## 1. Summary of Significant Accounting Policies

### Reporting Entity and Principles of Consolidation

The consolidated financial statements include the accounts of the NRCM and Action Fund (together, the Council). All material intercompany balances and transactions have been eliminated in consolidation.

### Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) 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 differ from those estimates.

### Basis of Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor-imposed restrictions as indicated below:

**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 Council. These net assets may be used at the discretion of the Council's management and the board of directors.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

**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 Council or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

### **Income Taxes**

The Internal Revenue Service has determined that NRCM and Action Fund are exempt from taxation under Internal Revenue Code Section 501(c)(3) and 501(c)(4), respectively, and, accordingly, no provision for income taxes has been reflected in these consolidated financial statements.

### **Measure of Operations**

The consolidated statements of activities include net operating income (loss). Changes in net assets, which are excluded from net operating income (loss), include net investment (loss) gain greater than withdrawals for operations, capital, and other non-operating projects, contributions restricted for tomorrow's leaders, contributions (Board-designated), capital campaign activity and changes in value of gift annuities and gifts of future interests.

### **Cash on Deposit**

The Council maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Council has mitigated this risk through the use of an Insured Cash Sweep account and has not experienced any losses in such accounts. The Council believes it is not exposed to any significant risk with respect to these accounts.

### **Accounts, Contributions, and Grants Receivable**

Accounts, contributions, and grants receivable are stated at the amount management expects to collect. NRCM considers these receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

### **Property and Equipment**

Purchased property and equipment are recorded at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restriction. Absent donor stipulations regarding how long those donated assets must be maintained, NRCM reports expirations of donor restrictions when the donated or acquired assets are placed in service. NRCM reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over their estimated useful lives. It is NRCM's policy to capitalize assets with a cost exceeding \$1,000 and a useful life of more than one year.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

### **Investments**

Investments are carried at fair value. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar 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 and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in value in the near term would materially affect the amounts reported in the consolidated statements of financial position and activities.

### **Contributions**

The Council reports contributions of cash or other assets, including unconditional promises to give, in the consolidated statements of activities when the cash, unconditional promise, or other assets are received. Unconditional promises to give are reported at their net realizable value. Significant noncash contributions are recorded at their fair value at the date of receipt.

The Council reports gifts of cash and other assets as support with donor restriction if they are received with donor stipulations that limit use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

### **Donated Services**

The Council receives donated professional services, which require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The estimated fair value of the services is recognized as revenue in the consolidated statements of activities. Donated services totaling \$23,523 in 2020 and \$81,076 in 2019 consisted of legal services in support of the clean air and energy, healthy waters and woods, wildlife and wilderness projects.

### **Revenue Recognition - Grants**

The Council reports revenues from grants when revenues are earned. Grants received are expended under the terms stated in the guidelines of the grant. Grant revenue earned but not yet received is recorded as grants receivable, and funds received but not yet earned are recorded as deferred revenue.

### **Functional Expenses**

The Council allocates its expenses on a functional basis among its various programs and other activities. Accordingly, certain overhead costs have been allocated among the programs and supporting services benefited. Management allocates these overhead costs based on hours employees spend on the respective program and supporting services.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

### **Recently Issued Accounting Pronouncement**

In 2020, NRCM adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09 (Topic 606), *Revenue from Contracts with Customers*, which provides guidance for revenue recognition that superseded the revenue recognition requirements of FASB Accounting Standards Codification (ASC) 605, *Revenue Recognition*, and most industry specific guidance. The adoption of FASB ASU No. 2014-09 did not have an impact on existing revenue recognition policies or application thereof.

In 2020, NRCM adopted FASB ASU No. 2018-08 (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides guidance for determining when transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and whether a contribution is conditional. The adoption of FASB ASU No. 2018-08 did not have an impact on financial position or results of operations.

### **Subsequent Events**

For purposes of the preparation of these consolidated financial statements in conformity with U.S. GAAP, the Council has considered transactions or events occurring through June 25, 2020, which was the date that the consolidated financial statements were available to be issued.

Beginning during the fiscal year and subsequent to March 31, 2020, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group meetings. Most sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement, volatility in investment returns, and reduced philanthropic support. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management expects this matter may have financial and other impacts to NRCM as of June 25, 2020, such potential impact cannot be reasonably estimated. Subsequent to March 31, 2020, NRCM applied for and received a forgivable loan under the Small Business Administration (SBA) Paycheck Protection Program (PPP) for approximately \$453,000. The PPP loan is eligible to be forgiven when certain criteria have been met or can be returned with no penalty, otherwise the loan is repayable at a 1% interest rate. Additional guidance and criteria for forgiveness from the SBA continues to be released.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

### 2. Contributions and Grants Receivable

Contributions and grants receivable consist of unconditional promises to give toward the citizen engagement fund, woods, wildlife and wilderness, sustainability and toxics, emerging issues, and general operations and are expected to be received as follows:

	<u>2020</u>	<u>2019</u>
Within one year	\$ 688,347	\$ 471,447
Between one and five years	<u>492,015</u>	<u>525,572</u>
Total unconditional promises to give	1,180,362	997,019
Less discounts to net present value at 1.35%	<u>(26,914)</u>	<u>(11,330)</u>
	<u>\$ 1,153,448</u>	<u>\$ 985,689</u>

Unconditional promises to give which are expected to be received within one year are not discounted to present value as any discount would not be material.

### 3. Property and Equipment

Property and equipment consist of:

	<u>2020</u>	<u>2019</u>
Land	\$ 249,010	\$ 192,510
Building and improvements	911,872	911,873
Furniture and equipment	<u>195,505</u>	<u>194,548</u>
	1,356,387	1,298,931
Less accumulated depreciation	<u>905,624</u>	<u>865,667</u>
Net property and equipment	<u>\$ 450,763</u>	<u>\$ 433,264</u>

### 4. Gifts of Future Interests

NRCM is a remainder beneficiary of certain charitable remainder unitrusts.

The future income stream of one charitable remainder unitrust is valued using a 3.2% discount rate and published life expectancy tables for the income beneficiaries. NRCM's interest in the principal of this split-interest agreement is reported based on the fair value of the underlying assets, discounted to present value, and was \$213,948 and \$227,406 at March 31, 2020 and 2019, respectively.

During 2019, NRCM was notified of its remainder interest in one additional charitable remainder trust. The split-interest agreement is reported based on the fair value of the underlying trusts assets, \$654,227 and \$658,417 at March 31, 2020 and 2019, respectively, as any discounting is assumed to be offset by future appreciation. The fair value of the gift of future interest increased by \$24,928 after it was received in 2019.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

In addition to the trusts noted in the previous paragraphs, NRCM is a remainder beneficiary in an irrevocable trust for which the total market value of the trust could not be determined at March 31, 2020 or 2019. The trust shall terminate upon the last surviving recipient's death. Information necessary to calculate the present value of the estimated future benefits to be received when the trust assets are distributed is not available. Therefore, this unconditional promise to give is not reported as contribution revenue or as a receivable in the accompanying consolidated financial statements.

NRCM has received contributions under charitable gift annuity agreements. NRCM is to remit payments to the income beneficiaries in various installments for the remainder of the beneficiaries' lives. The present value of the annuity payment liability was \$144,927 and \$133,203 at March 31, 2020 and 2019, respectively. The original amounts donated under these charitable gift annuity agreements totaled \$252,993 and are included in investments.

### 5. Investments

Investments at March 31 consist of:

	<u>2020</u>	<u>2019</u>
Cash investments	\$ 309,039	\$ 298,417
Mutual funds		
Equity	5,685,016	5,715,826
Bonds	2,474,009	2,340,898
Exchange traded funds		
Equity	54,688	63,790
International	25,299	29,012
Real estate	<u>5,042</u>	<u>6,270</u>
Total investments	<u>\$ 8,553,093</u>	<u>\$ 8,454,213</u>

NRCM adopted a policy to allocate for operations investment earnings on a total return basis up to 4.5% of the average fair value of the investments over the most recent twelve quarters unless additional amounts are approved by and deemed prudent by the board. Based on this calculation, the amount available to be drawn from project and endowment funds was \$269,500 and \$243,590 in 2020 and 2019, respectively; \$378,500 was drawn in 2020 and \$243,590 was drawn in 2019. Interest and dividend income is presented net of investment fees of \$44,443 and \$35,508 for the years ended March 31, 2020 and 2019, respectively.

To better align NRCM's mission and values with its investments, the Finance Committee will direct the investment managers to employ a socially responsible investment (SRI) approach as much as possible without giving up material performance returns. The Board has approved a positive filter methodology, which selects companies that are exemplary leaders in their industries based upon specific, recognized Environmental, Social and Governance (ESG) criteria.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

The Board understands the relationship between investment reward and volatility, and accepts the primary use of common stocks or their proxy in the form of Exchange Traded Funds (ETFs) to increase the probability of achieving long-term capital appreciation. Specifically, the investment funds should typically have non-cash assets invested 60% to 70% in equity-type securities and a reasonable balance in fixed-income securities.

To minimize risk, the investment funds should be well diversified across asset classes, economic sectors, industry groups, and individual securities as allowed by the asset allocation guidelines. It is contemplated that the manager will include commitments to investment grade and high yield, or non-investment grade fixed income, international securities, real estate investment trusts, and other securities deemed necessary for added diversification and enhanced return potential.

Notwithstanding this policy regarding the investment of non-cash assets in equity securities, the Committee may authorize the investment manager to invest up to 10% of the portfolio funds in non-traditional asset classes when it is believed that such investments may provide an improved rate of return relative to equity risk or that such investments may dampen the overall volatility of equity portfolio returns. Such investments may include, but are not limited to, investments in commodities, currencies, derivative contracts, precious metals, hedge funds, etc. so long as such investments are highly liquid, the value is readily determinable and the act of making such investments will not cause NRCM, its Board, officers, or agents to violate any applicable state and federal laws pertaining to the fiduciary duties of the Board with respect to such investments.

NRCM has interpreted the State of Maine Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the contributed value of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, NRCM classifies as net assets with donor restrictions of a perpetual duration (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the perpetual duration endowment, and (3) accumulations to the perpetual duration endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. If the donor-restricted endowment assets earn investment returns beyond these amounts, that excess is available for appropriation and, therefore, classified as net assets with donor restrictions until appropriated by the Board of Directors for expenditure. Funds designated by the Board of Directors for long-term investment are classified as net assets without restrictions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires NRCM to retain as a fund of perpetual duration. NRCM has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures under the law, but has not elected to do so. At March 31, 2020 and 2019, the fair value of one donor restricted endowment fund was \$860,756 and \$985,145, respectively; the original value of the gift was \$1,000,000.

In addition to Board-designated investments and donor-restricted endowment investments, for 2020 and 2019, NRCM has invested donor restricted contributions for the citizen's engagement fund, tomorrow's leaders fund, and the Board-designated capital projects fund. These funds are presented separately as project funds in the following schedules of investment activity and investment composition by type of fund.



**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**March 31, 2020 and 2019**

The investment net asset composition by type of fund as of March 31, 2020 is as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total Long-Term Investment Funds</u>	<u>Total Project Funds</u>	<u>Total Investments</u>
Donor-restricted endowment funds	\$ -	\$ 1,067,162	\$ 1,067,162	\$ -	\$ 1,067,162
Board-designated investment funds	6,899,047	-	6,899,047	-	6,899,047
Board-designated capital fund	-	-	-	155,820	155,820
Donor-restricted project funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,064</u>	<u>431,064</u>
	<u>\$ 6,899,047</u>	<u>\$ 1,067,162</u>	<u>\$ 7,966,209</u>	<u>\$ 586,884</u>	<u>\$ 8,553,093</u>

Changes in investment net assets for the year ended March 31, 2020 are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total Long-Term Investment Funds</u>	<u>Total Project Funds</u>	<u>Total Investments</u>
Investment net assets, beginning of year	\$ 6,584,486	\$ 1,220,752	\$ 7,805,238	\$ 648,975	\$ 8,454,213
Net investment loss	(675,166)	(101,376)	(776,542)	(40,920)	(817,462)
Additions to investment assets	1,294,842	-	1,294,842	-	1,294,842
Appropriation of investment assets for expenditure	<u>(305,115)</u>	<u>(52,214)</u>	<u>(357,329)</u>	<u>(21,171)</u>	<u>(378,500)</u>
Investment net assets, end of year	<u>\$ 6,899,047</u>	<u>\$ 1,067,162</u>	<u>\$ 7,966,209</u>	<u>\$ 586,884</u>	<u>\$ 8,553,093</u>

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**March 31, 2020 and 2019**

The investment net asset composition by type of fund as of March 31, 2019 is as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total Long-Term Investment Funds</u>	<u>Total Project Funds</u>	<u>Total Investments</u>
Donor-restricted endowment funds	\$ -	\$ 1,220,752	\$ 1,220,752	\$ -	\$ 1,220,752
Board-designated investment funds	6,584,486	-	6,584,486	-	6,584,486
Board-designated capital fund	-	-	-	154,087	154,087
Donor-restricted project funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>494,888</u>	<u>494,888</u>
	<u>\$ 6,584,486</u>	<u>\$ 1,220,752</u>	<u>\$ 7,805,238</u>	<u>\$ 648,975</u>	<u>\$ 8,454,213</u>

Changes in investment net assets for the year ended March 31, 2019 are as follows:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total Long-Term Investment Funds</u>	<u>Total Project Funds</u>	<u>Total Investments</u>
Investment net assets, beginning of year	\$ 5,685,431	\$ 241,242	\$ 5,926,673	\$ 642,439	\$ 6,569,112
Net investment income (loss)	240,676	(11,887)	228,789	19,652	248,441
Additions to investment assets	880,250	1,000,000	1,880,250	-	1,880,250
Appropriation of investment assets for expenditure and payment of charitable gift annuities	<u>(221,871)</u>	<u>(8,603)</u>	<u>(230,474)</u>	<u>(13,116)</u>	<u>(243,590)</u>
Investment net assets, end of year	<u>\$ 6,584,486</u>	<u>\$ 1,220,752</u>	<u>\$ 7,805,238</u>	<u>\$ 648,975</u>	<u>\$ 8,454,213</u>

**6. Net Assets Without Donor Restrictions**

Net assets without donor restrictions include assets whose use is limited for purposes designated by the Board of Directors as follows:

	<u>2020</u>	<u>2019</u>
Board-designated - long-term investments	\$ <b>6,899,047</b>	\$ 6,584,486
Board-designated capital fund	<b>155,820</b>	154,087
Gift annuities payable	<u>(144,927)</u>	<u>(133,203)</u>
	<u>\$ <b>6,909,940</b></u>	<u>\$ <b>6,605,370</b></u>

Undesignated net assets without donor restriction represent the remainder of current and historical earnings, which are used as part of ongoing operations at the direction of the Board of Directors.

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**March 31, 2020 and 2019**

**7. Net Assets With Donor Restrictions**

Net assets with donor restrictions are composed of the following programs as of March 31:

	<u>2020</u>	<u>2019</u>
Subject to expenditure		
Action Fund	\$ 47,624	\$ 53,483
Tomorrow's leaders fund	122,009	141,577
Other	67,136	240,852
Citizen's engagement	<u>309,121</u>	<u>353,311</u>
	<u>545,890</u>	<u>789,223</u>
Subject to time		
General operations - time restrictions	1,091,943	974,643
Gifts of future interests - time restrictions	<u>880,005</u>	<u>885,823</u>
	<u>1,971,948</u>	<u>1,860,466</u>
Investment in perpetuity, the income from which is expendable to general operations	<u>1,045,756</u>	<u>1,185,000</u>
Total net assets with donor restrictions	<u>\$ 3,563,594</u>	<u>\$ 3,834,689</u>

	<u>2020</u>	<u>2019</u>
Net assets released from net assets with donor restrictions are as follows:		
Climate and clean energy	\$ 269,593	\$ 361,160
Sustainable Maine	47,657	45,031
Forests and Wildlife	14,120	32,440
Healthy Waters	69,550	113,981
Emerging issues	96,165	62,842
Citizen's engagement	15,124	11,616
Federal issues	194,313	168,719
Capital campaign - time restricted	805,304	587,193
Action Fund	-	34,752
Tomorrow's leaders fund	6,047	500
Other	<u>10,068</u>	<u>8,603</u>
Total net assets released from restrictions	<u>\$ 1,527,941</u>	<u>\$ 1,426,837</u>

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2020 and 2019

8. **Retirement Plan**

NRCM may make a discretionary contribution of 4% of eligible employees' compensation to a 403(b) retirement plan as well as a discretionary 3% matching contribution. NRCM made both the contributions and match in 2020 and 2019. NRCM contributed a total of \$101,740 and \$96,389 during 2020 and 2019, respectively, to the plan.

9. **Joint Costs**

During the years ended March 31, 2020 and 2019, NRCM conducted activities that included requests for contributions as well as programmatic content. Those activities included direct mail campaigns, special events, and membership brochures. The costs of conducting those activities during 2020 and 2019 included a total of \$42,411 and \$44,946, respectively, of joint costs, which are not specifically attributable to particular components of the activities. These joint costs were allocated as follows:

	<u>2020</u>	<u>2019</u>
Development and fundraising	\$ 28,203	\$ 31,213
Communications and emerging issues	<u>14,208</u>	<u>13,733</u>
	<u>\$ 42,411</u>	<u>\$ 44,946</u>

10. **Assets at Fair Value**

FASB Accounting Standards Codification Topic 820, *Fair Value Measurement* (ASC Topic 820), defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**March 31, 2020 and 2019**

Assets measured at fair value on a recurring basis as of March 31, 2020 are summarized below:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs Using the Market Approach (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Gifts of future interests	\$ 868,175	\$ -	\$ -	\$ 868,175
Cash investments	309,039	309,039	-	-
Mutual funds				
Equity	5,685,016	5,685,016	-	-
Bonds	2,474,009	2,474,009	-	-
Exchange traded funds				
Equity	54,688	54,688	-	-
International developed	25,299	25,299	-	-
Real estate	<u>5,042</u>	<u>5,042</u>	-	-
	<u>\$ 9,421,268</u>	<u>\$ 8,553,093</u>	<u>\$ -</u>	<u>\$ 868,175</u>

Assets measured at fair value on a recurring basis as of March 31, 2019 are summarized below:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs Using the Market Approach (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Gifts of future interests	\$ 885,823	\$ -	\$ -	\$ 885,823
Cash investments	298,417	298,417	-	-
Mutual funds				
Equity	5,715,826	5,715,826	-	-
Bond	2,340,898	2,340,898	-	-
Exchange traded funds				
Equity	63,790	63,790	-	-
International developed	29,012	29,012	-	-
Real estate	<u>6,270</u>	<u>6,270</u>	-	-
	<u>\$ 9,340,036</u>	<u>\$ 8,454,213</u>	<u>\$ -</u>	<u>\$ 885,823</u>

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**March 31, 2020 and 2019**

Significant activity for assets measured at Level 3 fair value on a recurring basis using significant unobservable inputs is as follows:

	<u>Gifts of Future Interest</u>
March 31, 2018	\$ 225,777
Contributions/additions	633,489
Change in value	<u>26,557</u>
March 31, 2019	885,823
Change in value	<u>(17,648)</u>
March 31, 2020	<u><b>\$ 868,175</b></u>

The valuation approach and significant inputs for these measurements are disclosed in Note 4.

**11. Liquidity and Availability of Financial Assets**

The following table reflects the Council's financial assets as of March 31 available to meet cash needs for general expenditures within one year of the statement of consolidated financial position date.

	<u>2020</u>	<u>2019</u>
Cash	\$ <b>1,292,465</b>	\$ 1,294,841
Accounts receivable	<b>991</b>	4,411
Pledges receivable within one year	-	471,447
Net assets with purpose restrictions to be met in less than a year	<u><b>1,091,943</b></u>	<u>974,643</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><b>\$ 2,385,399</b></u>	<u><b>\$ 2,745,342</b></u>

The Council strives to maintain financial assets to meet 90 days of operating expenses, and maintain current assets less current liabilities at a minimum of 30 days of operating expenses. To help achieve these targets, the Council forecasts future cash flows and monitors its liquidity monthly and its reserves annually.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2020 and 2019

The Council has certain donor-restricted assets limited to use which are not available for general expenditure within one year in the normal course of operations. These assets are not available for general expenditure within the next year and are not reflected in the amounts above. The Council's governing board has designated a portion of its unrestricted resources for long-term investment and other purposes. Those amounts are identified as board designated and are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

The Council receives significant contributions from donors and considers contributions restricted for programs central to its mission to be available to meet cash needs for general operating expenditures.

### **12. Major Contributors**

During 2019, the Council received approximately 27% of support from two donors. There were no such major contributors in 2020.