



Natural Resources Council of Maine and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020, 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
August 12, 2021

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Consolidated Statements of Financial Position

March 31, 2021 and 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,428,046	\$ 1,292,465
Prepaid expenses and other assets	60,398	65,436
Contributions and grants receivable	622,424	1,153,448
Property and equipment, net of accumulated depreciation	340,560	450,763
Gifts of future interests	1,138,872	868,175
Investments	<u>12,707,490</u>	<u>8,553,093</u>
Total assets	<u>\$16,297,790</u>	<u>\$12,383,380</u>

LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$ 277,243	\$ 156,859
Gift annuities payable	<u>149,089</u>	<u>144,927</u>
Total liabilities	<u>426,332</u>	<u>301,786</u>
Net assets		
Without donor restrictions		
Board-designated	10,397,795	6,909,940
Invested in property and equipment	340,560	450,763
Undesignated	<u>1,258,666</u>	<u>1,157,297</u>
Total net assets without donor restrictions	11,997,021	8,518,000
With donor restrictions	<u>3,874,437</u>	<u>3,563,594</u>
Total net assets	<u>15,871,458</u>	<u>12,081,594</u>
Total liabilities and net assets	<u>\$16,297,790</u>	<u>\$12,383,380</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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue, gains, and other support			
Membership and major donors - NRCM	\$ 1,812,568	\$ 45,699	\$ 1,858,267
Foundations	199,226	378,881	578,107
Payroll Protection Program loan forgiveness	453,000	-	453,000
Miscellaneous income	12,881	-	12,881
Donated services	23,073	13,005	36,078
Net assets released from restrictions	<u>1,230,366</u>	<u>(1,230,366)</u>	<u>-</u>
Total operating revenue, gains, and other support	<u>3,731,114</u>	<u>(792,781)</u>	<u>2,938,333</u>
Operating expenses			
Climate and clean energy	484,257	-	484,257
Sustainable Maine	237,131	-	237,131
Forests and wildlife	171,571	-	171,571
Healthy waters	224,853	-	224,853
Lobbying	30,563	-	30,563
Emerging issues	295,697	-	295,697
Communications	423,146	-	423,146
Outreach	217,116	-	217,116
Federal	201,341	-	201,341
Management and general	354,268	-	354,268
Development and fundraising	295,103	-	295,103
Action Fund	<u>3,414</u>	<u>-</u>	<u>3,414</u>
Total operating expenses	<u>2,938,460</u>	<u>-</u>	<u>2,938,460</u>
Net operating income (loss)	<u>792,654</u>	<u>(792,781)</u>	<u>(127)</u>
Non-operating income (loss)			
Capital campaign contributions	44,801	240,853	285,654
Capital campaign expenses	(24,662)	-	(24,662)
Contributions, Board-designated	87,348	-	87,348
Change in value and donation of gift annuities	(7,579)	-	(7,579)
Net investment gain	<u>2,586,459</u>	<u>862,771</u>	<u>3,449,230</u>
Net non-operating income	<u>2,686,367</u>	<u>1,103,624</u>	<u>3,789,991</u>
Change in net assets	3,479,021	310,843	3,789,864
Net assets, beginning of year	<u>8,518,000</u>	<u>3,563,594</u>	<u>12,081,594</u>
Net assets, end of year	<u>\$ 11,997,021</u>	<u>\$ 3,874,437</u>	<u>\$ 15,871,458</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	14,477	-	14,477
Net investment loss, net of appropriation	<u>(1,065,361)</u>	<u>(161,610)</u>	<u>(1,226,971)</u>
Net non-operating income (loss)	<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 Functional Expenses

Year Ended March 31, 2021

	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 Fund- raising - Campaign	Action Fund	Total Expenses	
Personnel																
Salaries and wages	\$ 261,038	\$ 127,603	\$ 77,566	\$ 76,646	\$ 15,956	\$ 132,698	\$ 165,568	\$ 79,384	\$ 107,513	\$ 1,043,972	\$ 432,741	\$ 173,101	\$ 115,392	\$ 11,444	\$ 818	\$ 1,777,468
Payroll taxes and employee benefits	76,034	35,863	21,898	20,644	4,473	38,057	45,227	23,024	30,898	296,118	130,316	40,902	30,731	3,320	203	501,590
Professional services	<u>11,215</u>	<u>138</u>	<u>1,549</u>	<u>58,349</u>	<u>-</u>	<u>1,751</u>	<u>16,026</u>	<u>12,657</u>	<u>485</u>	<u>102,170</u>	<u>55,627</u>	<u>1,589</u>	<u>1,251</u>	<u>1,400</u>	<u>-</u>	<u>162,037</u>
Total personnel	<u>348,287</u>	<u>163,604</u>	<u>101,013</u>	<u>155,639</u>	<u>20,429</u>	<u>172,506</u>	<u>226,821</u>	<u>115,065</u>	<u>138,896</u>	<u>1,442,260</u>	<u>618,684</u>	<u>215,592</u>	<u>147,374</u>	<u>16,164</u>	<u>1,021</u>	<u>2,441,095</u>
Other expenses																
Telephone	490	840	420	420	-	1,260	420	525	665	5,040	10,471	-	1,050	-	-	16,561
Advertising	575	30	35	115	47	62	31,679	2,234	507	35,284	-	-	-	-	-	35,284
Postage	208	8	-	13	-	7,769	25,529	569	43	34,139	4,598	951	35,985	305	-	75,978
Printing	3,523	1,679	1,679	1,679	-	16,993	36,335	1,087	2,934	65,909	7,399	1,013	31,563	13	-	105,897
Travel	122	8	733	-	-	635	-	399	-	1,897	1,084	107	192	218	-	3,498
Conferences and meetings	235	505	-	-	-	1,250	-	9,692	75	11,757	852	3,385	30	(1,224)	-	14,800
Subscriptions and dues	395	1,853	631	-	-	4,730	4,112	280	275	12,276	1,210	5,014	116	-	2,292	20,908
Occupancy	-	-	-	-	-	-	-	-	-	-	35,054	-	-	-	-	35,054
Insurance	-	-	-	-	-	-	-	-	-	-	18,503	-	-	-	-	18,503
Equipment maintenance	-	-	-	-	-	1,875	-	16,980	-	18,855	38,551	28,878	12,390	-	-	98,674
Depreciation	-	-	-	-	-	-	-	-	-	-	48,275	-	-	-	-	48,275
Bank charges	-	-	-	-	-	-	-	-	-	-	-	551	-	-	-	551
Supplies	-	-	-	-	-	-	-	-	-	-	2,631	339	-	-	-	2,970
Cost of goods sold	-	-	-	-	-	-	605	-	-	605	-	-	-	-	-	605
Lists	-	-	-	-	-	4,959	-	-	-	4,959	-	-	9,843	-	-	14,802
Miscellaneous	-	600	-	-	49	37	700	-	-	1,386	4,853	17,533	215	5,680	-	29,667
Total other expenses	<u>5,548</u>	<u>5,523</u>	<u>3,498</u>	<u>2,227</u>	<u>96</u>	<u>39,570</u>	<u>99,380</u>	<u>31,766</u>	<u>4,499</u>	<u>192,107</u>	<u>173,481</u>	<u>57,771</u>	<u>91,384</u>	<u>4,992</u>	<u>2,292</u>	<u>522,027</u>
Allocated overhead	<u>130,422</u>	<u>68,004</u>	<u>67,060</u>	<u>66,987</u>	<u>10,038</u>	<u>83,621</u>	<u>96,945</u>	<u>70,285</u>	<u>57,946</u>	<u>651,308</u>	<u>(792,165)</u>	<u>80,905</u>	<u>56,345</u>	<u>3,506</u>	<u>101</u>	<u>-</u>
Total expenses	<u>\$ 484,257</u>	<u>\$ 237,131</u>	<u>\$ 171,571</u>	<u>\$ 224,853</u>	<u>\$ 30,563</u>	<u>\$ 295,697</u>	<u>\$ 423,146</u>	<u>\$ 217,116</u>	<u>\$ 201,341</u>	<u>\$ 2,285,675</u>	<u>\$ -</u>	<u>\$ 354,268</u>	<u>\$ 295,103</u>	<u>\$ 24,662</u>	<u>\$ 3,414</u>	<u>\$ 2,963,122</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	<u>1,793</u>	<u>1,213</u>	<u>2,223</u>	<u>29,402</u>	<u>2,084</u>	<u>1,491</u>	<u>16,594</u>	<u>10,189</u>	<u>83</u>	<u>65,072</u>	<u>61,208</u>	<u>300</u>	<u>247</u>	<u>168,590</u>	<u>500</u>	<u>295,917</u>
Total personnel	<u>349,101</u>	<u>155,214</u>	<u>120,393</u>	<u>106,700</u>	<u>57,708</u>	<u>205,088</u>	<u>227,928</u>	<u>109,299</u>	<u>140,582</u>	<u>1,472,013</u>	<u>603,531</u>	<u>193,150</u>	<u>91,850</u>	<u>266,423</u>	<u>4,934</u>	<u>2,631,901</u>
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	<u>40</u>	<u>4,139</u>	<u>163</u>	<u>-</u>	<u>-</u>	<u>816</u>	<u>746</u>	<u>4,716</u>	<u>69</u>	<u>10,689</u>	<u>2</u>	<u>14,486</u>	<u>487</u>	<u>13,701</u>	<u>-</u>	<u>39,365</u>
Total other expenses	<u>24,767</u>	<u>11,816</u>	<u>6,564</u>	<u>2,143</u>	<u>790</u>	<u>32,063</u>	<u>87,705</u>	<u>32,721</u>	<u>11,505</u>	<u>210,074</u>	<u>212,084</u>	<u>47,656</u>	<u>108,324</u>	<u>48,408</u>	<u>379</u>	<u>626,925</u>
Allocated overhead	<u>129,891</u>	<u>68,303</u>	<u>64,963</u>	<u>57,266</u>	<u>13,490</u>	<u>92,645</u>	<u>91,900</u>	<u>66,979</u>	<u>70,040</u>	<u>655,477</u>	<u>(815,615)</u>	<u>81,380</u>	<u>54,388</u>	<u>23,745</u>	<u>625</u>	<u>-</u>
Total expenses	<u>\$ 503,759</u>	<u>\$ 235,333</u>	<u>\$ 191,920</u>	<u>\$ 166,109</u>	<u>\$ 71,988</u>	<u>\$ 329,796</u>	<u>\$ 407,533</u>	<u>\$ 208,999</u>	<u>\$ 222,127</u>	<u>\$ 2,337,564</u>	<u>\$ -</u>	<u>\$ 322,186</u>	<u>\$ 254,562</u>	<u>\$ 338,576</u>	<u>\$ 5,938</u>	<u>\$ 3,258,826</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 3,789,864	\$ 261,395
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	48,275	53,085
Net realized and unrealized (gain) loss on investments	(3,011,581)	1,033,327
Donated land	-	(56,500)
Decrease (increase) in gifts of future interests	(270,697)	17,648
Gain on sale of land	(4,507)	-
Decrease (increase) in		
Prepaid expenses and other assets	5,038	9,294
Contributions and grants receivable	531,024	(167,759)
Increase (decrease) in		
Accounts payable and accrued expenses	120,384	(18,299)
Gift annuities payable	4,162	11,724
	<u>1,211,962</u>	<u>1,143,915</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of investments	(5,158,351)	(4,960,878)
Proceeds from sale of investments	4,015,535	3,828,671
Purchase of property and equipment	(3,072)	(14,084)
Proceeds from sale of equipment	69,507	-
	<u>(1,076,381)</u>	<u>(1,146,291)</u>
Net cash used by investing activities		
Net increase (decrease) in cash	135,581	(2,376)
Cash, beginning of year	<u>1,292,465</u>	<u>1,294,841</u>
Cash, end of year	<u>\$ 1,428,046</u>	<u>\$ 1,292,465</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, 2021 and 2020

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. Founded in 1959 by a group of volunteers passionate about protecting the Allagash River from a proposed dam, NRCM serves more than 25,000 members and supporters. From NRCM's offices in Augusta Maine, just steps from the Maine State House, NRCM works statewide and uses the power of science, citizen engagement, and the law to secure new safeguards for Maine's land, air, waters, and wildlife, and to defeat threats to existing environmental protections.

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 the Action Fund. The Action Fund board of directors consists of six members, one of whom holds a seat on NRCM's board of directors (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 federal, state, and local community 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. NRCM works to protect the rivers, lakes, and streams that provide food for fish, birds and wildlife, safe drinking water for communities, and sustain the fishing, paddling and other recreational businesses that help Maine's economy thrive.

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

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 works for increased public land acquisition and sustained funding for land conservation programs. NRCM also supports appropriately sized and located development and sustainable timber management practices that protect sensitive ecosystems, wildlife, and the outdoor recreation opportunities that are vital to Maine's economy.

Sustainable Maine

NRCM provides Maine communities the tools they need to reduce consumption of natural resources, 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 policies and the leading advocate for progressive statewide waste reduction policies.

Federal

Decisions made in Washington, D.C. can have lasting impacts on Maine's environment and the health and economic vitality of our communities. Maine's Congressional leaders rely on NRCM to identify and provide expert analysis of environmental policies under consideration at the federal level that could benefit or harm Maine. NRCM's relationships with these elected officials ensure they stand up for strong environmental safeguards and resist proposals to rollback effective protections.

Outreach

Grassroots outreach is a central feature to NRCM's efforts to educate and engage people statewide with NRCM's mission. With a focus on residents aged 15-40s, NRCM offers a range of outdoor events, educational trainings, and social networking activities that ensure Maine's next generation of environmental leaders have the skills, relationships, and knowledge needed to appreciate and protect Maine's natural resources and communities for the future.

1. Summary of Significant Accounting Policies

Reporting Entity and Principles of Consolidation

The consolidated financial statements include the accounts of 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.

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

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.

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 gain (loss) net of 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.

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

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 restrictions 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 restrictions. 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.

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.

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 restrictions 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 restrictions 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 \$36,078 in 2021 and \$23,523 in 2020 consisted of legal services in support of the clean air and energy, healthy waters and woods, wildlife and wilderness projects.

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

Revenue Recognition - Grants

The Council reports revenues from grants when conditions within the grant are met. 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.

Payroll Protection Program

As a response to the coronavirus disease (COVID-19) global pandemic, the U.S. government responded with relief legislation. Legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 pandemic. The Council qualified for and received a loan pursuant to the Paycheck Protection Program (PPP), a program implemented by the U.S. Small Business Administration under the CARES Act, in the amount of \$453,000. The PPP provided funds to pay up to 24 weeks of payroll and other specified costs, and forgiveness of the loan was dependent upon compliance with this and other terms and conditions of the CARES Act. Management applied for and received forgiveness of the loan.

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.

Uncertainty

During 2020 and 2021, in response to the COVID-19 global pandemic, local, U.S., and world governments encouraged self-isolation to curtail the spread of 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 experienced disruption to business operations and may feel further impacts related to delayed government reimbursement, volatility in investment returns, and reduced philanthropic support. There continues to be uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any further government actions to mitigate them. The extent of the impact of COVID-19 on business and financial results will depend on future development. Management cannot reasonably estimate the future financial impact on NRCM.

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 August 12, 2021, which was the date that the consolidated financial statements were available to be issued.

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

2. Contributions and Grants Receivable

Contributions and grants receivable consist of unconditional promises to give toward the protecting the nature of Maine, Federal, Healthy Waters, and general operations and are expected to be received as follows:

	<u>2021</u>	<u>2020</u>
Within one year	\$ 326,800	\$ 688,347
Between one and five years	<u>305,844</u>	<u>492,015</u>
Total unconditional promises to give	632,644	1,180,362
Less discounts to net present value at 1.35%	<u>(10,220)</u>	<u>(26,914)</u>
	<u>\$ 622,424</u>	<u>\$ 1,153,448</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>2021</u>	<u>2020</u>
Land	\$ 176,010	\$ 249,010
Building and improvements	920,274	911,872
Furniture and equipment	<u>198,175</u>	<u>195,505</u>
	1,294,459	1,356,387
Less accumulated depreciation	<u>953,899</u>	<u>905,624</u>
Net property and equipment	<u>\$ 340,560</u>	<u>\$ 450,763</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, and was \$317,373 and \$213,948 at March 31, 2021 and 2020, respectively.

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

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 trust assets, \$793,340 and \$654,227 at March 31, 2021 and 2020, respectively, as any discounting is to be offset by future appreciation. Subsequent to year end, the trust was resolved in a non-judicial settlement that terminated interest payments to the life-time beneficiary and distributed \$713,602 to NRCM.

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, 2021 or 2020. 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 \$149,089 and \$144,927 at March 31, 2021 and 2020, 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>2021</u>	<u>2020</u>
Cash investments	\$ 429,175	\$ 309,039
Mutual funds		
Equity	7,299,246	5,685,016
Bonds	3,353,141	2,474,009
Exchange traded funds		
Equity	118,228	54,688
International	-	25,299
Real estate	7,700	5,042
Certificates of deposit	<u>1,500,000</u>	<u>-</u>
Total investments	<u>\$12,707,490</u>	<u>\$ 8,553,093</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 \$322,895 and \$269,500 in 2021 and 2020, respectively; no funds were drawn in 2021 and \$378,500 was drawn in 2020, with Board approval for the excess of \$109,000 from board designated funds. Interest and dividend income is included in net investment gain (loss), and presented net of investment fees of \$47,129 and \$44,443 for the years ended March 31, 2021 and 2020, respectively.

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

To better align NRCM's mission and values with its investments, the Finance Committee (Committee) has directed the investment managers to employ a socially responsible investment 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 criteria.

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 or index funds to increase the probability of achieving long-term capital appreciation. Specifically, the Council's policy provides that 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. All of NRCM's current exchange traded funds are managed and maintained in a separate account used for the charitable gift annuity agreements.

To mitigate risk, the Council's policy provides that 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 or the Act) 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 donor 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

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

endowments in accordance with prudent measures under the law, but has not elected to do so. At March 31, 2020, the fair value of one donor restricted endowment fund was \$860,756, and the original value of the gift was \$1,000,000. The fair value of this fund exceeded the original value of the gift at March 31, 2021.

In addition to Board-designated investments and donor-restricted endowment investments, for 2021 and 2020, 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.

The investment net asset composition by type of fund as of March 31, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Long-Term Investment Funds</u>	<u>Total Project Funds</u>	<u>Total Investments</u>
Donor-restricted endowment funds	\$ -	\$ 1,551,971	\$ 1,551,971	\$ -	\$ 1,551,971
Board-designated investment funds	10,391,064	-	10,391,064	-	10,391,064
Board-designated capital fund	-	-	-	155,820	155,820
Donor-restricted project funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,635</u>	<u>608,635</u>
	<u>\$ 10,391,064</u>	<u>\$ 1,551,971</u>	<u>\$ 11,943,035</u>	<u>\$ 764,455</u>	<u>\$ 12,707,490</u>

Changes in investment net assets for the year ended March 31, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Long-Term Investment Funds</u>	<u>Total Project Funds</u>	<u>Total Investments</u>
Investment net assets, beginning of year	\$ 6,899,047	\$ 1,067,162	\$ 7,966,209	\$ 586,884	\$ 8,553,093
Net investment income	2,538,806	484,809	3,023,615	177,571	3,201,186
Additions to investment assets	<u>953,211</u>	<u>-</u>	<u>953,211</u>	<u>-</u>	<u>953,211</u>
Investment net assets, end of year	<u>\$ 10,391,064</u>	<u>\$ 1,551,971</u>	<u>\$ 11,943,035</u>	<u>\$ 764,455</u>	<u>\$ 12,707,490</u>

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

The investment net asset composition by type of fund as of March 30, 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 30, 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 and payment of charitable gift annuities	<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>

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>2021</u>	<u>2020</u>
Board-designated - long-term investments	\$ 10,391,064	\$ 6,899,047
Board-designated capital fund	155,820	155,820
Gift annuities payable	<u>(149,089)</u>	<u>(144,927)</u>
	<u>\$ 10,397,795</u>	<u>\$ 6,909,940</u>

Undesignated net assets without donor restrictions 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, 2021 and 2020

7. Net Assets With Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Action Fund	\$ 44,209	\$ 47,624
Tomorrow's leaders fund	174,074	122,009
Program restricted	41,889	67,136
Citizen's engagement	434,627	309,121
Earnings on perpetual funds - Shine fund	263,274	-
General operations - time restrictions	488,793	1,070,536
Earnings on perpetual funds, subject to board appropriation	103,699	21,407
Gifts of future interests - time restrictions	<u>1,138,872</u>	<u>880,005</u>
	<u>2,689,437</u>	<u>2,517,838</u>
Investment in perpetuity, the income from which is expendable to general operations	<u>1,185,000</u>	<u>1,045,756</u>
Total net assets with donor restrictions	<u>\$ 3,874,437</u>	<u>\$ 3,563,594</u>

Net assets released from donor restrictions are as follows for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Climate and clean energy	\$ 157,542	\$ 269,593
Sustainable Maine	31,809	47,657
Forests and Wildlife	21,430	14,120
Healthy Waters	77,532	69,550
Emerging issues	55,181	96,165
Citizen's engagement	-	15,124
Federal issues	123,096	194,313
Capital campaign - time restricted	763,776	805,304
Tomorrow's leaders fund	-	6,047
Other	<u>-</u>	<u>10,068</u>
Total net assets released from restrictions	<u>\$ 1,230,366</u>	<u>\$ 1,527,941</u>

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

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 2% matching contribution. NRCM made both the contributions and match in 2021 and 2020. NRCM contributed a total of \$90,142 and \$101,740 during 2021 and 2020, respectively, to the plan.

9. Joint Costs

During the years ended March 31, 2021 and 2020, 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 2021 and 2020 included a total of \$67,390 and \$42,411, respectively, of joint costs, which are not specifically attributable to particular components of the activities. These joint costs were allocated as follows:

	<u>2021</u>	<u>2020</u>
Development and fundraising	\$ 44,823	\$ 28,203
Communications and emerging issues	<u>22,567</u>	<u>14,208</u>
	<u>\$ 67,390</u>	<u>\$ 42,411</u>

10. Assets at Fair Value

Financial Accounting Standards Board 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, 2021 and 2020

Assets measured at fair value on a recurring basis as of March 31, 2021 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	\$ (1,138,872)	\$ -	\$ -	\$1,138,872)
Cash investments	429,175	429,175	-	-
Certificates of deposit	1,500,000	1,500,000	-	-
Mutual funds				
Equity	7,299,246	7,299,246	-	-
Bonds	3,353,141	3,353,141	-	-
Exchange traded funds				
Equity	118,228	118,228	-	-
Real estate	<u>7,700</u>	<u>7,700</u>	<u>-</u>	<u>-</u>
	<u>\$11,568,618</u>	<u>\$12,707,490</u>	<u>\$ -</u>	<u>\$1,138,872)</u>

Assets measured at fair value on a recurring basis as of March 30, 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	-	-
Bond	2,474,009	2,474,009	-	-
Exchange traded funds				
Equity	54,688	54,688	-	-
International	25,299	25,299	-	-
Real estate	<u>5,042</u>	<u>5,042</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,421,268</u>	<u>\$ 8,553,093</u>	<u>\$ -</u>	<u>\$ 868,175</u>

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2021 and 2020

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 consolidated statement of financial position date.

	<u>2021</u>	<u>2020</u>
Cash	\$ 1,428,046	\$ 1,292,465
Accounts receivable	1,028	991
Grants receivable	<u>89,781</u>	<u>55,044</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,518,855</u>	<u>\$ 1,348,500</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.

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.