




# Natural Resources Council of Maine and Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2024 and 2023

With Independent Auditor's Report





## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Natural Resources Council of Maine and Subsidiary

### Opinion

We have audited the accompanying consolidated financial statements of Natural Resources Council of Maine and Subsidiary (not-for-profit organizations), which comprise the consolidated statements of financial position as of March 31, 2024 and 2023, 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.

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, 2024 and 2023, 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 (U.S. GAAP).

### Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards (U.S. GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Natural Resources Council of Maine and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with U.S. GAAP, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Natural Resources Council of Maine and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Board of Directors  
Natural Resources Council of Maine and Subsidiary

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Natural Resources Council of Maine and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Natural Resources Council of Maine and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Berry Dunn McNeil & Parker, LLC*

Bangor, Maine  
August 27, 2024

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Consolidated Statements of Financial Position**

**March 31, 2024 and 2023**

**ASSETS**

	<u>2024</u>	<u>2023</u>
Cash	\$ 1,154,482	\$ 1,113,780
Prepaid expenses and other assets	51,861	30,286
Contributions and grants receivable, net	123,583	206,535
Property and equipment, net of accumulated depreciation	272,882	294,554
Gifts of future interests	26,470	26,470
Investments	<u>17,047,485</u>	<u>15,294,670</u>
 Total assets	 <u>\$18,676,763</u>	 <u>\$16,966,295</u>

**LIABILITIES AND NET ASSETS**

Accounts payable and accrued expenses	\$ 320,904	\$ 163,007
Gift annuities payable	<u>125,751</u>	<u>135,692</u>
 Total liabilities	 <u>446,655</u>	 <u>298,699</u>
 Net assets		
Without donor restrictions		
Board-designated	14,628,823	13,068,283
Invested in property and equipment	272,882	294,554
Undesignated	<u>618,325</u>	<u>976,168</u>
 Total net assets without donor restrictions	 15,520,030	 14,339,005
 With donor restrictions	 <u>2,710,078</u>	 <u>2,328,591</u>
 Total net assets	 <u>18,230,108</u>	 <u>16,667,596</u>
 Total liabilities and net assets	 <u>\$18,676,763</u>	 <u>\$16,966,295</u>

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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, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue, gains, and other support			
Membership and major donors	\$ 1,853,716	\$ 193,300	\$ 2,047,016
Foundations	161,500	681,532	843,032
Miscellaneous income	661	-	661
Donated services	10,452	25,692	36,144
Investment appropriation for operations	495,599	-	495,599
Designation of 2023 investment appropriation for 2024 expenses	111,050	-	111,050
Investment appropriation for outreach allocation	200,000	-	200,000
Net assets released from restrictions	<u>785,623</u>	<u>(785,623)</u>	<u>-</u>
Total operating revenue, gains, and other support	<u>3,618,601</u>	<u>114,901</u>	<u>3,733,502</u>
Operating expenses			
Climate and clean energy	658,639	-	658,639
Sustainable Maine	333,735	-	333,735
Forests and wildlife	233,704	-	233,704
Healthy waters	393,242	-	393,242
Lobbying	58,687	-	58,687
Emerging issues	313,599	-	313,599
Communications	536,538	-	536,538
Outreach	398,440	-	398,440
Federal	147,600	-	147,600
Management and general	485,277	-	485,277
Development and fundraising	292,044	-	292,044
Action Fund	<u>9,517</u>	<u>-</u>	<u>9,517</u>
Total operating expenses	<u>3,861,022</u>	<u>-</u>	<u>3,861,022</u>
Net operating (loss) income	<u>(242,421)</u>	<u>114,901</u>	<u>(127,520)</u>
Non-operating income			
Contributions, Board-designated	673,329	-	673,329
Net investment gain	<u>750,117</u>	<u>266,586</u>	<u>1,016,703</u>
Net non-operating income	<u>1,423,446</u>	<u>266,586</u>	<u>1,690,032</u>
Change in net assets	1,181,025	381,487	1,562,512
Net assets, beginning of year	<u>14,339,005</u>	<u>2,328,591</u>	<u>16,667,596</u>
Net assets, end of year	<u>\$ 15,520,030</u>	<u>\$ 2,710,078</u>	<u>\$ 18,230,108</u>

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**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Consolidated Statement of Activities**

**Year Ended March 31, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating revenue, gains, and other support			
Membership and major donors	\$ 1,962,724	\$ 174,676	\$ 2,137,400
Foundations	176,500	656,191	832,691
Miscellaneous income	3,952	-	3,952
Donated services	18,623	59,945	78,568
Investment appropriation for operations	242,996	-	242,996
Designation of 2022 investment appropriation for 2023 expenses	140,000	-	140,000
Investment appropriation for operations	200,000	-	200,000
Net assets released from restrictions	<u>1,291,583</u>	<u>(1,291,583)</u>	<u>-</u>
Total operating revenue, gains, and other support	<u>4,036,378</u>	<u>(400,771)</u>	<u>3,635,607</u>
Operating expenses			
Climate and clean energy	490,311	-	490,311
Sustainable Maine	370,856	-	370,856
Forests and wildlife	161,368	-	161,368
Healthy waters	280,769	-	280,769
Lobbying	21,730	-	21,730
Emerging issues	274,756	-	274,756
Communications	439,489	-	439,489
Outreach	545,699	-	545,699
Federal	173,650	-	173,650
Management and general	509,861	-	509,861
Development and fundraising	346,087	-	346,087
Action Fund	<u>4,323</u>	<u>-</u>	<u>4,323</u>
Total operating expenses	<u>3,618,899</u>	<u>-</u>	<u>3,618,899</u>
Net operating income (loss)	<u>417,479</u>	<u>(400,771)</u>	<u>16,708</u>
Non-operating income (loss)			
Contributions, Board-designated	110,643	-	110,643
Change in value and donation of gift annuities	26,306	-	26,306
Net investment loss, net of appropriations	<u>(884,463)</u>	<u>(121,105)</u>	<u>(1,005,568)</u>
Net non-operating loss	<u>(747,514)</u>	<u>(121,105)</u>	<u>(868,619)</u>
Change in net assets	(330,035)	(521,876)	(851,911)
Net assets, beginning of year	<u>14,669,040</u>	<u>2,850,467</u>	<u>17,519,507</u>
Net assets, end of year	<u>\$ 14,339,005</u>	<u>\$ 2,328,591</u>	<u>\$ 16,667,596</u>

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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, 2024

	Climate and Clean Energy	Sustainable Maine	Forests and Wildlife	Healthy Waters	Lobbying	Emerging Issues	Communications	Outreach	Federal	Total Programs	Allocated Overhead and Member Engagement	Management and General	Development and Fundraising	Action Fund	Total Expenses
Personnel															
Salaries and wages	\$ 299,735	\$ 140,976	\$ 109,190	\$ 152,863	\$ 33,596	\$ 128,700	\$ 196,272	\$ 178,571	\$ 69,366	\$ 1,309,269	\$ 534,567	\$ 194,701	\$ 76,141	\$ 3,368	\$ 2,118,046
Payroll taxes and employee benefits	88,153	43,020	33,238	45,832	10,034	36,723	58,638	52,555	20,398	388,591	161,085	68,649	21,623	1,691	641,639
Professional services	<u>23,957</u>	<u>8,260</u>	<u>4,860</u>	<u>60,518</u>	<u>650</u>	<u>6,488</u>	<u>24,129</u>	<u>1,453</u>	<u>260</u>	<u>130,575</u>	<u>228,611</u>	<u>65,930</u>	<u>55,105</u>	<u>800</u>	<u>481,021</u>
Total personnel	<u>411,845</u>	<u>192,256</u>	<u>147,288</u>	<u>259,213</u>	<u>44,280</u>	<u>171,911</u>	<u>279,039</u>	<u>232,579</u>	<u>90,024</u>	<u>1,828,435</u>	<u>924,263</u>	<u>329,280</u>	<u>152,869</u>	<u>5,859</u>	<u>3,240,706</u>
Other expenses															
Telephone	1,260	770	419	420	-	665	315	1,260	420	5,529	10,329	-	2,240	-	18,098
Advertising	3,816	79	234	799	-	73	25,606	50	58	30,715	-	-	-	-	30,715
Postage	-	-	-	39	-	10,501	19,281	187	-	30,008	11,047	2,954	9,121	-	53,130
Printing	207	60	60	572	-	15,584	56,962	176	60	73,681	6,190	1,644	35,906	-	117,421
Travel	5,763	2,788	1,600	5,584	-	7,326	453	1,999	3,619	29,132	10,728	3,250	3,935	-	47,045
Conferences and meetings	8,634	8,635	430	1,603	-	9,791	2,110	4,922	60	36,185	20,068	17,107	4,144	-	77,504
Subscriptions and dues	93	750	974	-	-	4,880	7,525	5,074	-	19,296	-	5,220	802	604	25,922
Occupancy	-	-	-	-	-	-	-	-	-	-	44,700	-	-	-	44,700
Insurance	-	-	-	-	-	-	-	-	-	-	24,761	-	-	-	24,761
Equipment maintenance	-	-	-	-	-	-	-	15,875	-	15,875	39,704	24,562	20,409	-	100,550
Depreciation	-	-	-	-	-	-	-	-	-	-	29,799	-	-	-	29,799
Bank charges	-	-	-	-	-	-	-	-	-	-	-	1,033	-	-	1,033
Supplies	-	-	-	-	-	-	-	-	-	-	3,465	1,604	-	-	5,069
Cost of goods sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lists	-	-	-	-	-	-	-	-	-	-	-	-	3,059	-	3,059
Copier lease	654	654	654	655	-	655	654	654	654	5,234	-	654	655	-	6,543
Miscellaneous	<u>2,179</u>	<u>12,422</u>	<u>132</u>	<u>364</u>	<u>-</u>	<u>-</u>	<u>1,096</u>	<u>26</u>	<u>-</u>	<u>16,219</u>	<u>121</u>	<u>11,332</u>	<u>6,147</u>	<u>1,148</u>	<u>34,967</u>
Total other expenses	<u>22,606</u>	<u>26,158</u>	<u>4,503</u>	<u>10,036</u>	<u>-</u>	<u>49,475</u>	<u>114,002</u>	<u>30,223</u>	<u>4,871</u>	<u>261,874</u>	<u>200,912</u>	<u>69,360</u>	<u>86,418</u>	<u>1,752</u>	<u>620,316</u>
Allocated overhead and member engagement	<u>224,188</u>	<u>115,321</u>	<u>81,913</u>	<u>123,993</u>	<u>14,407</u>	<u>92,213</u>	<u>143,497</u>	<u>135,638</u>	<u>52,705</u>	<u>983,875</u>	<u>(1,125,175)</u>	<u>86,637</u>	<u>52,757</u>	<u>1,906</u>	<u>-</u>
Total expenses	<u>\$ 658,639</u>	<u>\$ 333,735</u>	<u>\$ 233,704</u>	<u>\$ 393,242</u>	<u>\$ 58,687</u>	<u>\$ 313,599</u>	<u>\$ 536,538</u>	<u>\$ 398,440</u>	<u>\$ 147,600</u>	<u>\$ 3,074,184</u>	<u>\$ -</u>	<u>\$ 485,277</u>	<u>\$ 292,044</u>	<u>\$ 9,517</u>	<u>\$ 3,861,022</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, 2023**

	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	Action Fund	Total Expenses
<b>Personnel</b>															
Salaries and wages	\$ 250,633	\$148,915	\$ 77,759	\$ 114,547	\$ 12,196	\$132,317	\$ 183,166	\$245,056	\$ 77,215	\$1,241,804	\$ 404,023	\$217,674	\$ 147,840	\$ 1,011	\$2,012,352
Payroll taxes and employee benefits	78,288	46,205	24,993	35,872	3,662	43,119	58,013	79,734	24,419	394,305	125,914	70,763	41,969	368	633,319
Professional services	<u>20,604</u>	<u>73,350</u>	<u>-</u>	<u>62,885</u>	<u>-</u>	<u>9,105</u>	<u>18,394</u>	<u>23,487</u>	<u>3,815</u>	<u>211,640</u>	<u>57,149</u>	<u>78,123</u>	<u>4,585</u>	<u>1,010</u>	<u>352,507</u>
Total personnel	<u>349,525</u>	<u>268,470</u>	<u>102,752</u>	<u>213,304</u>	<u>15,858</u>	<u>184,541</u>	<u>259,573</u>	<u>348,277</u>	<u>105,449</u>	<u>1,847,749</u>	<u>587,086</u>	<u>366,560</u>	<u>194,394</u>	<u>2,389</u>	<u>2,998,178</u>
<b>Other expenses</b>															
Telephone	1,260	805	420	420	-	980	385	1,645	420	6,335	9,578	-	2,135	-	18,048
Advertising	3,923	2,687	16	344	-	-	31,436	3,360	-	41,766	-	765	154	-	42,685
Postage	263	9	12	49	-	5,168	14,348	671	202	20,722	6,339	4,847	15,331	-	47,239
Printing	134	134	809	160	-	15,971	29,438	1,380	243	48,269	5,335	11,212	38,040	-	102,856
Travel	2,923	1,589	731	648	12	2,016	481	3,655	687	12,742	3,409	3,831	1,174	-	21,156
Conferences and meetings	8,445	2,074	230	497	-	364	367	36,190	851	49,018	12,661	18,900	1,269	-	81,848
Subscriptions and dues	1,129	520	536	85	-	2,917	6,431	2,503	452	14,573	59	8,113	5,350	417	28,512
Occupancy	-	-	-	-	-	-	-	-	-	-	44,674	-	-	-	44,674
Insurance	-	-	-	-	-	-	-	-	-	-	20,802	-	-	-	20,802
Equipment maintenance	-	-	-	-	-	119	-	20,073	-	20,192	35,088	25,104	14,133	-	94,517
Depreciation	-	-	-	-	-	-	-	-	-	-	49,105	-	-	-	49,105
Bank charges	-	-	-	-	-	-	-	-	-	-	-	385	-	-	385
Supplies	-	-	-	-	-	-	-	-	-	-	4,087	2,749	-	-	6,836
Cost of goods sold	-	-	-	-	-	-	1,227	-	-	1,227	-	-	-	-	1,227
Lists	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Copier lease	612	612	612	612	-	612	612	612	612	4,896	-	612	661	-	6,169
Miscellaneous	<u>5,824</u>	<u>11,425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34</u>	<u>2,141</u>	<u>13,265</u>	<u>129</u>	<u>32,818</u>	<u>318</u>	<u>4,531</u>	<u>15,906</u>	<u>1,089</u>	<u>54,662</u>
Total other expenses	<u>24,513</u>	<u>19,855</u>	<u>3,366</u>	<u>2,815</u>	<u>12</u>	<u>28,181</u>	<u>86,866</u>	<u>83,354</u>	<u>3,596</u>	<u>252,558</u>	<u>191,455</u>	<u>81,049</u>	<u>94,153</u>	<u>1,506</u>	<u>620,721</u>
<b>Allocated overhead and member engagement</b>															
	<u>116,273</u>	<u>82,531</u>	<u>55,250</u>	<u>64,650</u>	<u>5,860</u>	<u>62,034</u>	<u>93,050</u>	<u>114,068</u>	<u>64,605</u>	<u>658,321</u>	<u>(778,541)</u>	<u>62,252</u>	<u>57,540</u>	<u>428</u>	<u>-</u>
Total expenses	<u>\$ 490,311</u>	<u>\$370,856</u>	<u>\$ 161,368</u>	<u>\$ 280,769</u>	<u>\$ 21,730</u>	<u>\$274,756</u>	<u>\$ 439,489</u>	<u>\$545,699</u>	<u>\$173,650</u>	<u>\$2,758,628</u>	<u>\$ -</u>	<u>\$509,861</u>	<u>\$ 346,087</u>	<u>\$ 4,323</u>	<u>\$3,618,899</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, 2024 and 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
Cash flows from operating activities		
Change in net assets	<b>\$ 1,562,512</b>	<b>\$ (851,911)</b>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	<b>29,799</b>	49,105
Net realized and unrealized (gain) loss on investments	<b>(1,568,853)</b>	555,471
Decrease in gifts of future interests	-	334,884
Decrease (increase) in		
Prepaid expenses and other assets	<b>(21,575)</b>	39,242
Contributions and grants receivable	<b>82,952</b>	125,669
Increase (decrease) in		
Accounts payable and accrued expenses	<b>157,897</b>	15,295
Gift annuities payable	<b>(9,941)</b>	<b>(21,993)</b>
Net cash provided by operating activities	<u><b>232,791</b></u>	<u><b>245,762</b></u>
Cash flows from investing activities		
Purchases of investments	<b>(2,973,182)</b>	(2,199,441)
Proceeds from sale of investments	<b>2,789,220</b>	1,862,015
Purchase of property and equipment	<u><b>(8,127)</b></u>	<u><b>(47,669)</b></u>
Net cash used by investing activities	<u><b>(192,089)</b></u>	<u><b>(385,095)</b></u>
Net increase (decrease) in cash	<b>40,702</b>	(139,333)
Cash, beginning of year	<u><b>1,113,780</b></u>	<u><b>1,253,113</b></u>
Cash, end of year	<u><b>\$ 1,154,482</b></u>	<u><b>\$ 1,113,780</b></u>

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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, 2024 and 2023

### Purpose of the Organization and Nature of Activities

The Natural Resources Council of Maine (NRCM) is a 501(c)(3) non-profit grassroots 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 and Clean Energy

Climate change is the most serious environmental threat of our time. NRCM advances 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.

#### Forests and 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.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2024 and 2023

### Sustainable Maine

NRCM advances policies and provides tools to Maine communities 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 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, 2024 and 2023

### **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.

**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.

### **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 appropriations for operations, capital, and other non-operating projects, contributions (Board-designated), capital campaign activity, and changes in value and donation 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 which is designed to sweep funds in excess of the federally insured limits into secondary banks. The Council has not experienced any losses in such accounts. The Council believes it is not exposed to any significant risk with respect to these accounts.

### **Contributions and Grants Receivable**

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 credit losses has been established.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2024 and 2023

### **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 as described at Note 10. Fair values are based on quoted market prices, if available, or estimated using quoted market prices for similar securities. Debt securities are measured using significant unobservable inputs as described in Note 10.

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 determined based on costs for comparable services and is recognized as revenue in the consolidated statements of activities. Donated services totaling \$36,144 and \$78,568 during the years ended March 31, 2024 and 2023, respectively, 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, 2024 and 2023

### **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.

### **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.

### **Recently Adopted Accounting Pronouncement**

Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related guidance as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with FASB Accounting Standards Codification (ASC) Topic 842, Leases. The adoption of Topic 326 during the year ended March 31, 2024 did not have a material impact on the consolidated financial statements of the Council.

### **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 27, 2024, 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, 2024 and 2023

### 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>2024</u>	<u>2023</u>
Within one year	\$ 121,200	\$ 170,457
Between one and five years	<u>2,500</u>	<u>46,298</u>
Total unconditional promises to give	123,700	216,755
Less discounts to net present value at 2.42%	<u>(117)</u>	<u>(10,220)</u>
	<u>\$ 123,583</u>	<u>\$ 206,535</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>2024</u>	<u>2023</u>
Land	\$ 176,010	\$ 176,010
Building and improvements	944,642	936,515
Furniture and equipment	<u>219,686</u>	<u>219,686</u>
	1,340,338	1,332,211
Less accumulated depreciation	<u>1,067,456</u>	<u>1,037,657</u>
Net property and equipment	<u>\$ 272,882</u>	<u>\$ 294,554</u>

### 4. Gifts of Future Interests

NRCM is a remainder beneficiary of certain charitable remainder unitrusts.

NRCM holds certain 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 \$125,751 and \$135,692 at March 31, 2024 and 2023, respectively.

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2024 and 2023

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, 2024 or 2023. 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 and, therefore, the trust is not included in the NRCM's financial statements.

### 5. Investments

Investments at March 31 consist of:

	<u>2024</u>	<u>2023</u>
Cash investments	\$ 843,828	\$ 868,687
Mutual funds		
Equity	-	1,479,591
Exchange traded funds		
Equity	122,907	101,460
Fixed income	101,664	347,206
Real estate	6,226	5,981
Bond treasury bills	257,819	510,690
Common stocks	11,254,044	8,531,401
Fixed income	3,899,102	2,914,895
Other	161,895	134,759
Debt securities	<u>400,000</u>	<u>400,000</u>
 Total investments	 <u>\$ 17,047,485</u>	 <u>\$ 15,294,670</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 \$508,950 and \$455,375 in 2024 and 2023, respectively. Interest and dividend income is included in net investment gain (loss) and presented net of investment fees of \$75,799 and \$88,068 for the years ended March 31, 2024 and 2023, respectively.



# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2024 and 2023

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.

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 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 for expenditure. Funds designated by the Board 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 endowments in accordance with prudent measures under the law, but has not elected to do so. There were no underwater funds as of March 31, 2024 and 2023.

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**March 31, 2024 and 2023**

In addition to Board-designated investments and donor-restricted endowment investments, for 2024 and 2023, 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, 2024 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	\$ -	\$ 1,594,035	\$ 1,594,035	\$ -	\$ 1,594,035
Board-designated investment funds	14,570,566	-	14,570,566	-	14,570,566
Board-designated capital fund	-	-	-	184,008	184,008
Donor-restricted project funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,876</u>	<u>698,876</u>
	<u>\$ 14,570,566</u>	<u>\$ 1,594,035</u>	<u>\$ 16,164,601</u>	<u>\$ 882,884</u>	<u>\$ 17,047,485</u>

Changes in investment net assets for the year ended March 31, 2024 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	\$13,046,613	\$1,459,906	\$ 14,506,519	\$ 788,151	\$ 15,294,670
Net investment income	1,558,463	190,564	1,749,027	70,778	1,819,805
Appropriations	(707,839)	(56,435)	(764,274)	(14,676)	(778,950)
Additions to investment assets	<u>673,329</u>	<u>-</u>	<u>673,329</u>	<u>38,631</u>	<u>711,960</u>
Investment net assets, end of year	<u>\$14,570,566</u>	<u>\$1,594,035</u>	<u>\$ 16,164,601</u>	<u>\$ 882,884</u>	<u>\$ 17,047,485</u>

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**March 31, 2024 and 2023**

The investment net asset composition by type of fund as of March 31, 2023 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	\$ -	\$ 1,459,906	\$ 1,459,906	\$ -	\$ 1,459,906
Board-designated investment funds	13,046,613	-	13,046,613	-	13,046,613
Board-designated capital fund	-	-	-	157,362	157,362
Donor-restricted project funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>630,789</u>	<u>630,789</u>
	<u>\$ 13,046,613</u>	<u>\$ 1,459,906</u>	<u>\$ 14,506,519</u>	<u>\$ 788,151</u>	<u>\$ 15,294,670</u>

Changes in investment net assets for the year ended March 31, 2023 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	\$ 13,174,480	\$ 1,555,520	\$ 14,730,000	\$ 782,715	\$ 15,512,715
Net investment (loss) income	(338,973)	(39,508)	(378,481)	5,436	(373,045)
Appropriations	(43,894)	(56,106)	(100,000)	-	(100,000)
Additions to investment assets, net of appropriations of \$100,000	<u>255,000</u>	<u>-</u>	<u>255,000</u>	<u>-</u>	<u>255,000</u>
Investment net assets, end of year	<u>\$ 13,046,613</u>	<u>\$ 1,459,906</u>	<u>\$ 14,506,519</u>	<u>\$ 788,151</u>	<u>\$ 15,294,670</u>

**6. Net Assets Without Donor Restrictions**

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

	<u>2024</u>	<u>2023</u>
Board-designated – long-term investments	<b>\$ 14,570,566</b>	\$ 13,046,613
Board-designated capital fund	<b>184,008</b>	157,362
Gift annuities payable	<u><b>(125,751)</b></u>	<u>(135,692)</u>
	<u><b>\$ 14,628,823</b></u>	<u>\$ 13,068,283</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 discretion of the Board.

**NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY**

**Notes to Consolidated Financial Statements**

**March 31, 2024 and 2023**

**7. Net Assets With Donor Restrictions**

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

	<u>2024</u>	<u>2023</u>
Tomorrow's leaders fund	\$ 183,084	\$ 167,250
Action fund	3,692	3,692
Program purpose and time restricted	90,864	69,288
Citizen's engagement	459,184	419,458
Forest and wildlife	147,165	-
Climate and clean energy	167,674	-
Earnings on perpetual funds – Shine fund	282,138	181,307
General operations – time restrictions	37,910	182,535
Earnings on perpetual funds, subject to board appropriation	126,897	93,591
Gifts of future interests – time restrictions	<u>26,470</u>	<u>26,470</u>
	<u>1,525,078</u>	<u>1,143,591</u>
Investment in perpetuity, the income from which is expendable to general operations	<u>1,185,000</u>	<u>1,185,000</u>
Total net assets with donor restrictions	<u>\$ 2,710,078</u>	<u>\$ 2,328,591</u>

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

	<u>2024</u>	<u>2023</u>
Climate and clean energy	\$ 304,299	\$ 303,070
Sustainable Maine	111,199	207,342
Forests and wildlife	24,195	35,900
Healthy waters	73,169	48,538
Emerging issues	9,978	174,118
Citizen's engagement	16,752	-
Federal issues	43,331	129,862
Gifts of future interest	194,823	332,808
Gifts in kind	1,197	59,945
Tomorrow's leaders fund	<u>6,680</u>	<u>-</u>
Total net assets released from restrictions	<u>\$ 785,623</u>	<u>\$ 1,291,583</u>

# NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

## Notes to Consolidated Financial Statements

March 31, 2024 and 2023

### 8. Retirement Plan

NRCM may make a discretionary contribution of 5% 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 2024 and 2023. NRCM contributed a total of \$125,880 and \$120,600 during 2024 and 2023, respectively, to the plan.

### 9. Joint Costs

During the years ended March 31, 2024 and 2023, 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 2024 and 2023 included a total of \$48,027 and \$49,153, respectively, of joint costs, which are not specifically attributable to particular components of the activities. These joint costs were allocated as follows:

	<u>2024</u>	<u>2023</u>
Development and fundraising	\$ 32,018	\$ 32,769
Communications and emerging issues	<u>16,009</u>	<u>16,384</u>
	<u>\$ 48,027</u>	<u>\$ 49,153</u>

### 10. Assets at Fair Value

FASB ASC Topic 820, *Fair Value Measurement* (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. 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, 2024 and 2023**

Assets measured at fair value on a recurring basis as of March 31, 2024 are summarized below:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Gifts of future interests	\$ 26,470	\$ -	\$ -	\$ 26,470
Cash investments	843,828	843,828	-	-
Bond treasury bills	257,819	257,819	-	-
Exchange traded funds				
Equity	122,907	122,907	-	-
Fixed income	101,664	101,664	-	-
Real estate	6,226	6,226	-	-
Common stocks	11,254,044	11,254,044	-	-
Debt securities	400,000	-	-	400,000
Fixed income	3,899,102	-	3,899,102	-
Other	<u>161,895</u>	<u>161,895</u>	<u>-</u>	<u>-</u>
	<u>\$17,073,955</u>	<u>\$12,748,383</u>	<u>\$ 3,899,102</u>	<u>\$ 426,470</u>

Assets measured at fair value on a recurring basis as of March 31, 2023 are summarized below:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Gifts of future interests	\$ 26,470	\$ -	\$ -	\$ 26,470
Cash investments	868,687	868,687	-	-
Certificates of deposit	510,690	510,690	-	-
Equity mutual funds	1,479,591	1,479,591	-	-
Exchange traded funds				
Equity	101,460	101,460	-	-
Fixed income	347,206	347,206	-	-
Real estate	5,981	5,981	-	-
Common stocks	8,531,401	8,531,401	-	-
Debt securities	400,000	-	-	400,000
Fixed income	2,914,895	-	2,914,895	-
Other	<u>134,759</u>	<u>134,759</u>	<u>-</u>	<u>-</u>
	<u>\$15,321,140</u>	<u>\$11,979,775</u>	<u>\$ 2,914,895</u>	<u>\$ 426,470</u>

Investments of the Council include debt securities which represent two investment notes totaling \$200,000 each as of March 31, 2024 and 2023. These debt securities are illiquid investments to be held to maturity. The investment notes carry interest rates of 2.5% and 3.25% and mature on February 28, 2027 and June 30, 2028, respectively. These debt securities were entered into during the year ended March 31, 2022 and are measured at fair value using significant other observable inputs that reflect NRCM's assumptions related to the collection of the investment note. Fixed income bonds are valued based on quoted prices for similar instruments.

NATURAL RESOURCES COUNCIL OF MAINE AND SUBSIDIARY

Notes to Consolidated Financial Statements

March 31, 2024 and 2023

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>2024</u>	<u>2023</u>
Cash	\$ 1,154,482	\$ 1,113,780
Accounts receivable	1,591	1,367
Grants receivable	<u>63,000</u>	<u>24,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,219,073</u>	<u>\$ 1,139,147</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.

12. **Major Contributors**

The Council received approximately 14% of support from one donor during the year ended March 31, 2024.