

VERMONT RIVER CONSERVANCY, INC.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020
AND
INDEPENDENT AUDITOR'S REPORT

VERMONT RIVER CONSERVANCY, INC.

DECEMBER 31, 2020

TABLE OF CONTENTS

Page(s)

Independent Auditor's Report.....	1 - 2
Financial Statements:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities.....	4
Consolidated Statement of Cash Flows.....	5
Notes to Consolidated Financial Statements	6 - 13

Mudgett
Jennett &
Krogh-Wisner, P.C.
Certified Public Accountants #435

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Management
Vermont River Conservancy, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Vermont River Conservancy, Inc. (a Vermont not-for-profit corporation), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Vermont River Conservancy, Inc.'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 Vermont River Conservancy, Inc.'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 Vermont River Conservancy, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Montpelier, Vermont
July 6, 2021

Melgett Bennett 4
Grant Nixon, P.C.

VERMONT RIVER CONSERVANCY, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS:

Cash and cash equivalents	\$ 232,428
Grants receivable	58,938
Prepaid expenses	683
Investments	986,083
Property and equipment, net	45,824
Land held for conservation	<u>642,252</u>
Total assets	<u>\$ 1,966,208</u>

LIABILITIES AND NET ASSETS:

LIABILITIES:

Accounts payable	\$ 60,936
Refundable advances	<u>114,158</u>
Total liabilities	<u>175,094</u>

NET ASSETS:

Without donor restrictions - undesignated	622,250
Without donor restrictions - board designated	241,655
With donor restrictions	<u>927,209</u>
Total net assets	<u>1,791,114</u>
Total liabilities and net assets	<u>\$ 1,966,208</u>

The notes to financial statements are an integral part of this statement.

VERMONT RIVER CONSERVANCY, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Net assets without donor restrictions	Net assets with donor restrictions	<u>2020 Totals</u>
REVENUES AND SUPPORT:			
Contributions	\$ 109,951	\$ 105,187	\$ 215,138
Grants - government	237,697	6,000	243,697
Grants - foundation and other	124,793	-	124,793
Investment return	43,946	128,981	172,927
Hut rental	16,387	-	16,387
Miscellaneous	<u>1,197</u>	<u>-</u>	<u>1,197</u>
Total revenues and support	<u>533,971</u>	<u>240,168</u>	<u>774,139</u>
EXPENSES:			
Program services -			
River and land conservation	<u>458,858</u>	<u>-</u>	<u>458,858</u>
Supporting activities -			
Management and general	135,390	-	135,390
Fundraising	<u>38,455</u>	<u>-</u>	<u>38,455</u>
Total supporting activities	<u>173,845</u>	<u>-</u>	<u>173,845</u>
Total expenses	<u>632,703</u>	<u>-</u>	<u>632,703</u>
RECLASSIFICATIONS:			
Satisfaction of time and program restrictions	<u>52,508</u>	<u>(52,508)</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	(46,224)	187,660	141,436
NET ASSETS, beginning of year, RESTATED	<u>910,129</u>	<u>739,549</u>	<u>1,649,678</u>
NET ASSETS, end of year	\$ <u>863,905</u>	\$ <u>927,209</u>	\$ <u>1,791,114</u>

The notes to financial statements are an integral part of this statement.

VERMONT RIVER CONSERVANCY, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 141,436
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities -	
Depreciation	665
Donated land for conservation	55,000
Realized/unrealized (gain) on investments	(161,445)
Interest and dividends restricted for reinvestment	(11,363)
(Increase) decrease in grants receivable	30,641
(Increase) decrease in contributions receivable	200
(Increase) decrease in prepaid expenses	55
Increase (decrease) in accounts payable	3,063
Increase (decrease) in refundable advances	<u>8,215</u>
Net cash provided (used) by operating activities	<u>66,467</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment	(583)
Purchase of investments	(20,376)
Proceeds from sale of investments	<u>15,514</u>
Net cash provided (used) by investing activities	<u>(5,445)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Interest and dividends restricted for reinvestment	<u>11,363</u>
Net cash provided (used) by financing activities	<u>11,363</u>

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	72,385
CASH AND CASH EQUIVALENTS, beginning of year	<u>160,043</u>
CASH AND CASH EQUIVALENTS, end of year	\$ <u>232,428</u>

The notes to financial statements are an integral part of this statement.

VERMONT RIVER CONSERVANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. Summary of significant accounting policies:

Vermont River Conservancy, Inc. (the Organization) is a non-profit organization dedicated to the conservation of exceptional lands along Vermont's waters. Incorporated in 1995, the Organization leads partnerships between landowners, municipalities, state and federal agencies, businesses and other conservation organizations to keep land along the waters of Vermont open for equitable and responsible community use and enjoyment in all of Vermont. The Organization provides funding for its programs primarily through grants and contributions.

In 2018, the Organization became the sole and single member in a newly formed manager-managed Vermont limited liability company, Vermont Riverlands, LLC. The purpose of Vermont Riverlands, LLC is to support and further the charitable, tax exempt mission of its sole member, the Organization. Vermont Riverlands, LLC is managed by managers who are designated by the Organization to serve at the will and pleasure of the Organization. Furthermore, any after-tax income realized by Vermont Riverlands, LLC, at the discretion of the managers, is returned to the Organization as dividends, unless waived by the Organization. Vermont Riverlands, LLC has been included in the Organization's consolidated financial statements and notes.

A. Financial statement presentation - The Organization presents its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") as established by the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) No. 958, section 205, Presentation of Financial Statements of Not-for-Profit Organizations. Under section 205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: amounts without donor restrictions and amounts with donor restrictions depending upon the existence and/or nature of any donor-imposed restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), amounts with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same period are shown as increases in net assets with donor restrictions with a corresponding transfer to net assets without donor restrictions. The receipt transfer of assets with donor or grantor-imposed conditions is accounted for as a refundable advance, instead of as a contribution, until the conditions have been substantially met.

The governing Board of the Organization has identified certain net assets without donor restrictions as board designated endowments to be invested for a long-term period. These board-designated endowments are referred to as quasi endowments within the notes to the consolidated financial statements.

B. Basis of accounting - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

C. Use of estimates - The preparation of consolidated financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

VERMONT RIVER CONSERVANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. Summary of significant accounting policies (continued):

- D. Cash and cash equivalents - For financial statement purposes, the Organization considers demand deposits to be cash equivalents. Amounts held within the investment portfolio are not included in cash and cash equivalents because they are held for long-term or investments purposes.
- E. Property and equipment - Property and equipment in excess of \$1,500 are capitalized at cost when purchased or estimated fair value, if received by donation or acquired under a capital lease agreement. Donations of property and equipment are recorded in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Depreciation and amortization are computed using the straight-line method over the assets estimated useful lives.
- F. Advertising - The Organization's policy is to expense advertising costs as incurred. The Organization has recorded \$0 in advertising expense for the year ended December 31, 2020.
- G. Income taxes - Vermont River Conservancy, Inc. has received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code for its exempt function income and is classified as a publicly supported organization under Section 509(a)(1). Vermont Riverlands, LLC, is classified as a 501(c)(3) organization and is classified as a supporting entity of Vermont River Conservancy. Contributions to the Organization qualify for the charitable contribution deduction under Internal Revenue Code Section 170(b)(1)(A)(vi). In addition, the Organization is not subject to state income taxes on its exempt function income. The Organization has adopted the provisions of Financial Accounting Standards Board's - Accounting for Uncertain Income Tax Positions (FASB ASC 740-10) as it might apply to the Organization's financial transactions. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The 2019, 2018 and 2017 tax years are open for possible examination by the Internal Revenue Service for Vermont River Conservancy, Inc. The 2019 and 2018 tax years are open for possible examination by the Internal Revenue Service for Vermont Riverlands, LLC.
- H. Grants and contributions receivable - Receivables are reflected on the balance sheet net of allowances for doubtful accounts. The Organization evaluates its accounts receivable and estimates its allowance for doubtful accounts based upon the age of the balance and the historical experience with the customer or donor. As of December 31, 2020, the Organization had not recorded an allowance for doubtful accounts. Management estimates that all receivables are collectible.
- I. Refundable advances - The Organization records conditional grant awards as refundable advances until they are expended for the purpose of the grant, at which time they are recognized as revenue. The balance in refundable advances at December 31, 2020, represents amounts received that will be expended in subsequent fiscal years in accordance with grant terms.
- J. Contributions - All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions which increases those asset classes. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as net assets with donor restrictions.

VERMONT RIVER CONSERVANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

1. Summary of significant accounting policies (continued):

J. Contributions (continued) -

A donor restriction expires when a time restriction ends, when an unconditional promise with an implied time restriction is collected, or when a purpose restriction is completed. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Donor restricted contributions received in the same year in which the restrictions are met are recorded as an increase to restricted support at the time of receipt and as net assets released from restrictions. Donor restricted net assets also include the principal amount of contributions accepted with the stipulation from the donor that the principal be maintained in perpetuity, and only the income from the investment thereof be expended for either general purposes or a purpose specified by the donor.

K. Conservation land - Conservation land is real property with significant ecological and recreational value. These properties are either managed in an effort to protect the natural environment or transferred to other organizations who will manage the lands in a similar fashion. The Organization records land at cost if purchased or at estimated fair value at the date of acquisition if all or part of the land was received as a donation. As a result of conservation restrictions, land held for conservation is evaluated for impairment upon completion of a professional appraisal. Any decrease in fair value from the current reported value would result in an expense in the year of the evaluation.

L. Conservation easements - Easements acquired by the Organization are conservation easements and represent numerous restrictions over the use and development of land not owned by the Organization. Since these easements have no marketable value, and therefore no future economic benefit, they are not recorded as assets on the consolidated statement of financial position. All easements acquired by purchase are expensed in the statement of activities. In all cases, the Organization monitors activities on the land and enforces restrictions.

2. Contributions receivable:

Contributions receivable represent unconditional promises to give that are recognized as revenue when the promise is received. Any contributions receivable would be reported at their net realizable value. The Organization did not report any contributions receivable at December 31, 2020 and wrote off \$200 of contributions during the year ended December 31, 2020.

3. Investments:

Investments are stated at fair value. The fair value of debt and equity securities are based on quoted market prices. Investment income is allocated between net assets with donor restrictions and net assets without donor restrictions based upon fair value. The Organization's investments are subject to various risks, such as interest rate, credit and overall market volatility, which may substantially impact the value of such investments at any given time.

Investments as of December 31, 2020 are summarized in the table on the following page.

VERMONT RIVER CONSERVANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

3. Investments (continued):

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Money market	\$ 14,032	\$ -	\$ 14,032
Mutual funds/exchange traded funds - bond funds	258,260	-	258,260
Mutual funds/exchange traded funds - equity funds	661,694	-	661,694
Cash surrender value of life insurance	<u>-</u>	<u>52,097</u>	<u>52,097</u>
	<u>\$ 933,986</u>	<u>\$ 52,097</u>	<u>\$ 986,083</u>

In accordance with FASB ASC 820, the Organization classifies its investments into Level 1, which refers to investments traded in an active market; Level 2, which refers to investments not traded in an active market but for which observable market inputs are readily available; and Level 3, which refers to investments not traded in an active market and for which no significant observable market inputs are available. Generally, Level 3 investments are valued based upon information provided by fund managers, including audited financial statements of the investment fund. The levels relate to valuation only and do not necessarily indicate a measure of risk.

Investment return reported for the year ending December 31, 2020 consisted of the following:

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Total</u>
Interest & dividends	\$ 3,055	\$ 8,427	\$ 11,482
Realized and unrealized losses	<u>40,891</u>	<u>120,554</u>	<u>161,445</u>
	<u>\$ 43,946</u>	<u>\$ 128,981</u>	<u>\$ 172,927</u>

4. Land held for conservation:

As of December 31, 2020, land held for conservation was \$642,252. For these conservation land holdings the Organization commissions qualified real estate appraisers to determine a fair value to establish a purchase price or establishes a value based on a formula calculated by staff at the Vermont Department of Environmental Conservation (one of three departments comprising the Vermont Agency of Natural Resources).

5. Property and equipment:

Property and equipment consisted of the following at December 31, 2020:

Nulhegan Hut	\$ 46,712
Equipment and furnishings	13,371
Less: accumulated depreciation	<u>(14,259)</u>
Net property and equipment	<u>\$ 45,824</u>

VERMONT RIVER CONSERVANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

6. Paycheck Protection Program:

On April 29, 2020 the Organization obtained \$38,500 in U.S. Small Business Administration Paycheck Protection Program (PPP) funds administered through a local financial institution. The Organization received full forgiveness of this amount from the U.S. Small Business Administration in February 2021. This forgiveness has been recorded in grant revenue for the year ended December 31, 2020.

7. Endowment funds:

The Organization’s endowment consists of both donor restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

As of December 31, 2020, the Organization’s endowment funds by asset type and net asset type were as follows:

	Board Designated Without Donor Restrictions	VT Rivers Legacy Fund With Donor Restrictions
Investments	\$ <u>241,655</u>	\$ <u>227,463</u>

The Board of Directors of Vermont River Conservancy, Inc. has interpreted the Vermont Uniform Prudent Management of Institutional Funds Act (VUPMIFA), *VUPMIFA Added 2009, no 9, § 2 eff. May 5, 2009*, as requiring the preservation of the original gift amount of the donor restricted endowment absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The portion of donor restricted endowment funds available for immediate use are classified as donor restricted until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by VUPMIFA.

The Organization maintains and manages the endowment funds to provide income for general operations and to support specified projects. The Organization’s endowment funds investment policies seek to achieve maximum total return, minimize risk through diversification and high quality investments and due diligence, and to provide a growing reliable income stream to assist the Organization’s general operations and specific projects. The investment policies specify that assets of the endowment funds should be allocated so that the total fixed-income allocation does not fall below 20% or exceed 40% and the equity allocation does not fall below 60% or exceed 80%. The Organization’s endowment funds distribution policies provide expending between 3% and 5% of the endowment annually, unless otherwise authorized by the Board of Directors, calculated on the average value of the endowments for the immediately preceding 12 quarters.

VERMONT RIVER CONSERVANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

7. Endowment funds (continued):

Changes in endowment net assets for the year ended December 31, 2020 are detailed below.

	Board Designated Without Donor <u>Restrictions</u>	VT Rivers Legacy Fund With Donor <u>Restrictions</u>
Balance, beginning of year	\$ 197,819	\$ 193,270
Interest and dividends	2,935	2,083
Realized and unrealized gains	<u>40,901</u>	<u>32,110</u>
Investment return	<u>43,836</u>	<u>34,193</u>
Balance, end of year	<u>\$ 241,655</u>	<u>\$ 227,463</u>

8. Stewardship fund:

The Organization maintains and manages a stewardship legal defense fund to provide income for meeting the Organization's stewardship responsibilities as well as to cover legal costs associated with the enforcement of easement violations. The Organization's stewardship legal defense fund investment policy seeks to achieve maximum total return, minimize risk through diversification and high quality investments and due diligence, and to provide a growing reliable income stream to assist the Organization's stewardship and legal responsibilities. The investment policy specifies that assets of the stewardship legal defense fund should be allocated so that the total fixed-income allocation does not fall below 20% or exceed 40% and the equity allocation does not fall below 60% or exceed 80%. The Organization's stewardship legal defense fund spending policy requires all spending to be approved by the Board of Directors.

9. Concentration of revenue:

The Organization receives a substantial amount of grant revenue from a limited number of grantors. Of the Organization's total revenue and support of \$774,139, \$243,697, or 31% came from the State of Vermont and the U.S. Government.

10. Refundable advances:

Refundable advances represent cash or other assets received by the Organization in advance of fulfilling an awarding entity stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the awarding entity the right of return of the assets. At December 31, 2020, the Organization reported advance payments of \$114,158 received from various grantor agencies and foundations.

11. Operating lease:

The Organization rents office space in Montpelier, Vermont under a lease agreement that ended in October 2020. Rent expense for the year ended December 31, 2020 was \$6,300.

VERMONT RIVER CONSERVANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

12. Natural and functional expense classifications:

Natural and functional expense classifications at December 31, 2020 has been detailed in the table below:

	Program		Supporting Activities			Total
	River & Land	Management	Supporting		Expenses	
			Conservation	& General		
Salaries and wages	\$ 102,790	\$ 70,404	\$ 27,390	\$ 97,794	\$ 200,584	
Benefits	7,823	5,671	2,427	8,098	15,921	
Payroll taxes	9,227	5,440	2,489	7,929	17,156	
Professional development	3,605	264	-	264	3,869	
Professional fees	102,348	18,899	600	19,499	121,847	
Meetings	175	145	-	145	320	
Membership and subscriptions						
subscriptions	-	170	700	870	870	
Office	927	8,822	1,004	9,826	10,753	
Insurance	1,048	12,122	-	12,122	13,170	
Information technology	1,119	2,881	3,445	6,326	7,445	
Fees	468	520	200	720	1,188	
Land conservation	159,517	953	-	953	160,470	
Depreciation	467	198	-	198	665	
Payment to CRC (Note 13)	-	23,000	-	23,000	23,000	
Donation to municipality (Note 14)	55,000	-	-	-	55,000	
Miscellaneous	245	-	200	200	445	
Administration allocation	14,099	(14,099)	-	(14,099)	-	
	\$ 458,858	\$ 135,390	\$ 38,455	\$ 173,845	\$ 632,703	

13. Payment to Connecticut River Conservancy:

Prior to 2020 the Organization acted as a fiscal sponsor for the Connecticut River Paddler's Trail Consortium (CRPTC). In a May 2020 Board meeting it was decided that the unused funds, totaling \$23,000, would be transferred to the Connecticut River Conservancy (CRC) who would assume the role of fiscal sponsor for the CRPTC.

14. Donation to Municipality:

The Organization donated land with a historical cost of \$55,000 to the Town of Bethel, Vermont for permanent preservation.

15. Restatement:

The Organization has restated net assets without donor restrictions at December 31, 2019 from \$864,818 to \$910,129, an increase of \$45,311. This increase is due to the addition of the Nulhegan Hut as an asset which was expensed during a prior year.

VERMONT RIVER CONSERVANCY, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

16. Net assets with donor restrictions:

Net assets with donor restrictions at December 31, 2020 are detailed in the table below.

Subject to expenditure for specified purpose:

Program activities:

Stewardship and legal defense	\$ 515,804
Conservation projects	<u>177,051</u>
	<u>692,855</u>

Subject to the passage of time:

For periods after December 31, 2020.	<u>6,891</u>
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Subject to the Organization's spending policy and appropriation:

Investment in perpetuity (including amounts above original gift amount of \$125,000), which, once appropriated, is expendable to support:

Operations	<u>175,366</u>
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Subject to appropriation and expenditure when a specified event occurs:

Paid-up life insurance policy that will provide proceeds upon death of insured to the Vermont Rivers Legacy Fund.	<u>52,097</u>
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\$ 927,209

17. Liquidity and availability:

The Organization has \$291,366 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$232,428, and grants receivable of \$58,938. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions and grants receivable are subject to implied time restrictions but are expected to be collected within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization invests cash in excess of its daily requirement in various short-term investments.

18. Subsequent events:

The Organization evaluated its December 31, 2020 consolidated financial statements for subsequent events through July 6, 2021, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events that would require recognition or disclosure in the accompanying consolidated financial statements.