

VERMONT NATURAL RESOURCES COUNCIL, INC.

Financial Statements
(With Independent Auditors' Report)

For the Years Ended June 30, 2024 and 2023

VERMONT NATURAL RESOURCES COUNCIL, INC.
For the Years Ended June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Vermont Natural Resources Council, Inc.
Montpelier, Vermont

Opinion

We have audited the accompanying financial statements of Vermont Natural Resources Council, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Report on Summarized 2023 Comparative Information

The Organization's 2023 financial statements were reviewed by us and in our report thereon, dated May 1, 2024, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

McSoley McCoy & Co.

South Burlington, Vermont
March 14, 2025
VT Reg. No. 92-349

Vermont Natural Resources Council, Inc.

Statements of Financial Position

June 30, 2024 and 2023

	(audited) 2024	(reviewed) 2023
	<u>2024</u>	<u>2023</u>
Assets:		
Cash	\$ 547,707	\$ 612,011
Prepaid expenses and other current assets	2,443	-
Grants and contributions receivable	177,780	137,619
Notes receivable and accrued interest - board designated	660,611	648,490
Investments	3,779,797	3,631,900
Property and equipment, net of accumulated depreciation	<u>2,102,009</u>	<u>2,181,710</u>
Total assets	<u>\$ 7,270,347</u>	<u>\$ 7,211,730</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 3,816	\$ 11,886
Accrued expenses	<u>164,140</u>	<u>130,975</u>
Total current liabilities	<u>167,956</u>	<u>142,861</u>
Net Assets:		
Without donor restrictions:		
Operating	1,008,194	1,062,760
Property and equipment	2,102,009	2,181,710
Board designated funds	<u>3,062,570</u>	<u>2,858,865</u>
Total without donor restrictions	6,172,773	6,103,335
With donor restrictions	<u>929,618</u>	<u>965,534</u>
Total net assets	<u>7,102,391</u>	<u>7,068,869</u>
Total liabilities and net assets	<u>\$ 7,270,347</u>	<u>\$ 7,211,730</u>

See independent auditors' report and notes to the financial statements.

Vermont Natural Resources Council, Inc.

Statement of Activities

For the Year Ended June 30, 2024

(With Summarized Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	(audited) 2024 Total	(reviewed) 2023 Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating support and revenue:				
Grants and contributions	\$ 700,830	\$ 780,380	\$ 1,481,210	\$ 1,852,678
Other income	55,583	-	55,583	101,902
Net assets released from restrictions	<u>816,296</u>	<u>(816,296)</u>	<u>-</u>	<u>-</u>
Total operating support and revenue	<u>1,572,709</u>	<u>(35,916)</u>	<u>1,536,793</u>	<u>1,954,580</u>
Operating expenses:				
Program services:				
Climate and energy	259,487	-	259,487	258,499
Forests and wildlife	187,372	-	187,372	176,660
Outreach and communication	296,217	-	296,217	238,806
Sustainable communities	154,582	-	154,582	155,193
Water	<u>509,573</u>	<u>-</u>	<u>509,573</u>	<u>913,329</u>
Total program services	1,407,231	-	1,407,231	1,742,487
Supporting services:				
Management and general	370,873	-	370,873	314,049
Fundraising	<u>144,724</u>	<u>-</u>	<u>144,724</u>	<u>140,732</u>
Total operating expenses	<u>1,922,828</u>	<u>-</u>	<u>1,922,828</u>	<u>2,197,268</u>
Change in net assets from operations	<u>(350,119)</u>	<u>(35,916)</u>	<u>(386,035)</u>	<u>(242,688)</u>
Other changes:				
Non-operating investment income	407,436	-	407,436	321,325
Interest income from other board designated assets	<u>12,121</u>	<u>-</u>	<u>12,121</u>	<u>11,877</u>
Total other changes	<u>419,557</u>	<u>-</u>	<u>419,557</u>	<u>333,202</u>
Change in net assets	69,438	(35,916)	33,522	90,514
Net assets, beginning of year	<u>6,103,335</u>	<u>965,534</u>	<u>7,068,869</u>	<u>6,978,355</u>
Net assets, end of year	<u>\$ 6,172,773</u>	<u>\$ 929,618</u>	<u>\$ 7,102,391</u>	<u>\$ 7,068,869</u>

See independent auditors' report and notes to the financial statements.

Vermont Natural Resources Council, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2024
(With Summarized Totals for 2023)

	Program Services					Supporting Services		(audited)	(reviewed)
	Climate and Energy	Forests and Wildlife	Outreach and Communication	Sustainable Communities	Water	Management and General	Fundraising	2024 Total	2023 Total
Salaries and wages	\$ 171,653	\$ 111,490	\$ 190,751	\$ 108,597	\$ 216,365	\$ 267,954	\$ 99,447	\$ 1,166,257	\$ 980,070
Benefits and taxes	17,843	11,583	19,825	11,292	22,427	27,169	10,339	120,478	104,218
Advertising	1,442	250	5,578	-	-	514	947	8,731	13,129
Bank charges and other fees	-	-	-	-	-	2,788	-	2,788	2,858
Conferences and meetings	9,164	11,164	12,423	2,596	4,178	3,586	959	44,070	72,764
Consultants and subcontractors	5,678	27,177	18,028	2,297	225,339	25,543	5,164	309,226	727,037
Depreciation	12,214	7,933	13,573	7,727	15,395	19,066	7,076	82,984	82,986
Equipment costs	727	472	808	460	914	1,107	421	4,909	3,088
Grants paid	-	1,250	-	5,000	-	-	-	6,250	2,990
Insurance	1,858	1,206	2,064	1,176	2,335	2,829	1,076	12,544	12,079
License and dues	89	166	101	152	1,121	653	49	2,331	4,394
Lobbyist	25,133	5,162	534	5,692	140	92	6	36,759	56,150
Miscellaneous, net	185	179	2,159	476	207	957	15	4,178	5,343
Occupancy	6,766	4,392	7,518	4,282	8,504	10,302	3,921	45,685	60,263
Office supplies	578	375	642	366	726	880	335	3,902	2,768
Postage	99	645	2,109	94	111	234	3,061	6,353	11,768
Printing	-	-	13,378	-	-	-	8,963	22,341	10,304
Professional fees	1,670	1,084	1,855	1,057	2,099	2,543	968	11,276	12,706
Subscriptions and publications	1,534	1,180	2,426	955	2,957	2,144	824	12,020	11,350
Telephone, internet and website	1,274	625	1,467	1,031	1,362	1,466	558	7,783	8,821
Travel	1,391	916	768	1,212	5,155	758	485	10,685	11,038
Vehicle expenses	189	123	210	120	238	288	110	1,278	1,144
	<u>\$ 259,487</u>	<u>\$ 187,372</u>	<u>\$ 296,217</u>	<u>\$ 154,582</u>	<u>\$ 509,573</u>	<u>\$ 370,873</u>	<u>\$ 144,724</u>	<u>\$ 1,922,828</u>	<u>\$ 2,197,268</u>

See independent auditors' report and notes to the financial statements.

Vermont Natural Resources Council, Inc.
 Statements of Cash Flows
 For the Years Ended June 30, 2024 and 2023

	<u>(audited)</u> 2024	<u>(reviewed)</u> 2023
Cash flows from operating activities:		
Change in net assets from operations	\$ 33,522	\$ 90,514
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	82,984	82,986
Unrealized and realized (gains) losses	(313,161)	(317,899)
Interest income from other board designated assets	(12,121)	(11,877)
(Increase) decrease in:		
Prepaid expenses and other current assets	(2,443)	363
Grants and contributions receivable	(40,161)	3,302
Increase (decrease) in:		
Accounts payable	(8,070)	4,114
Accrued expenses	<u>33,165</u>	<u>7,498</u>
Net cash provided by operating activities	<u>(226,285)</u>	<u>(140,999)</u>
Cash flows from investing activities:		
Acquisition of property, and equipment	(3,283)	(4,559)
Withdrawals from investments	<u>165,264</u>	<u>202,300</u>
Net cash used in investing activities	<u>161,981</u>	<u>197,741</u>
Net increase (decrease) in cash	(64,304)	56,742
Cash, beginning of year	<u>612,011</u>	<u>555,269</u>
Cash, end of year	<u>\$ 547,707</u>	<u>\$ 612,011</u>

See independent auditors' report and notes to the financial statements.

Vermont Natural Resources Council, Inc.

Notes to the Financial Statements

June 30, 2024 and 2023

(1) History of the Organization and Nature of Activities

Incorporated in Vermont in 1970, the Vermont Natural Resources Council, Inc. (“VNRC” or the “Organization”) is a nonprofit research, education and advocacy organization dedicated to protecting and enhancing “Vermont’s natural environments, vibrant communities, productive working landscapes, rural character and unique sense of place and preparing the state for future challenges and opportunities.” VNRC’s support comes primarily from grants and contributions from individuals, foundations and government.

Description of programs:

A description of VNRC’s major programs is as follows:

“Energy” – VNRC’s Energy and Climate Action program works to protect the legacy Vermonters will leave future generations by helping to alleviate the threats of climate change to the state’s economy, environment and way of life. VNRC works on a variety of solutions-oriented fronts to help Vermont chart a clean energy future including coordination of the “Vermont Energy and Climate Action Network” and through a variety of projects focusing on efficiency and conservation, energy planning, renewables and climate change adaptation, mitigation and resilience.

“Forests” – VNRC believes that keeping forests as forests is essential to Vermont’s ecological, economic and social well-being and its Forests and Wildlife program works to protect Vermont’s forests by assisting communities and local governments with innovative planning techniques for forestland and wildlife conservation, promoting dialogue with landowners, land managers, foresters, state agencies and others to develop policies to keep forests as forests, promoting sustainable forest management practices, educating landowners about strategies to promote long-term stewardship of intact forestland to help maintain the health of the state’s forests.

“Outreach and Communication” – Through a variety of publications, its website, an annual meeting and other programs and events, VNRC promotes the general environmental well-being of the state.

“Sustainable Communities” – VNRC’s Sustainable Communities program raises awareness of how Vermont can sustain its communities, economy, and natural environment through smart land use decisions. VNRC promotes Smart Growth approaches that give people real options for transportation, housing, and employment by promoting innovative land use planning, ensuring the continued strength and effectiveness of Vermont’s Act 250, providing planning resources and expertise to professional and non-professional planners and supporting the state’s farming and forest economies to ensure long-term land availability and economic viability.

“Water” – VNRC’s Water program is a leader in the protection, restoration, and enhancement of Vermont’s water resources – irreplaceable elements of Vermont’s landscape and natural heritage. VNRC is committed to ensuring that conservation and stewardship – rooted in sound scientific research – along with public education and advocacy are all part of the process. In addition, VNRC works to strengthen aquatic ecosystems by facilitating the removal of obsolete dams and restoring riparian and floodplain habitats.

Vermont Natural Resources Council, Inc.

Notes to the Financial Statements

June 30, 2024 and 2023

(2) Summary of Significant Accounting Policies

- (a) Basis of Accounting – The financial statements have been prepared using the accrual basis of accounting.
- (b) Financial Statement Presentation – VNRC reports information regarding its financial position and activities according to two classes of net assets: those with donor restriction and those without. Contributions received are recorded as either with donor restrictions or without donor restrictions depending upon the existence and/or nature of any *specific* donor-imposed restrictions. When a 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 statement of activities as net assets released from restrictions. Contributions with donor restrictions 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 transfer of assets with donor-imposed conditions is accounted for as a refundable advance, instead of as a contribution, until the conditions have been substantially met.
- (c) Estimates – The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.
- (d) Cash and Cash Equivalents – VNRC has elected to treat all non-investment cash accounts, checking, savings, money market, and other cash funds purchased with an original maturity of three months or less as cash and cash equivalents for purposes of the statements of cash flows.
- (e) Promises to Give – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Those expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts, if material, are computed using estimated market interest rates applicable to the years in which the promises are received. Any amortization of these discounts would be reflected in contribution revenue. Conditional promises to give are not recorded until the conditions are met.
- (f) Comparative Financial Information – The financial statements include certain prior-year summarized comparative information in total but not by asset class (and, for the statement of functional expenses, in total but not by functional category). Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Vermont Natural Resources Council, Inc.

Notes to the Financial Statements

June 30, 2024 and 2023

Summary of Significant Accounting Policies (continued)

- (g) Property and Equipment – Property and equipment is recorded at cost. Depreciation is calculated on property and equipment using the straight-line method over the estimated useful lives of the assets. Costs for normal repairs and maintenance of property and equipment are charged to expense as incurred; betterments over \$500 are capitalized.

The range of estimated useful lives used are as follows:

	<u>Years</u>
Buildings and improvements	5 - 40
Equipment, furniture and fixtures	3 - 10
Vehicle	4

- (h) Income Taxes – VNRC is exempt from federal income tax (on activities related to its tax-exempt purpose) as an organization described in Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported organization under Section 509(a)(1). Contributions to VNRC qualify for the charitable contribution deduction under Internal Revenue Code Section 170(b)(1)(A). The Organization’s income tax filings are subject to audit by Internal Revenue Service (“IRS”) and state taxing authorities. Management believes it is no longer subject to income tax examinations for years prior to June 30, 2021.

- (i) Investments - Investments are stated at fair value. The cost assigned to investments received by gift is the market value at the date the gift is received. The net realized and unrealized gains on investments are reflected in the statement of activities.

- (j) Fair value of financial instruments - The Organization reports its fair value measurements by using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are defined as follows:

Level 1 - Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in markets that are not active; observable inputs other than quoted prices for the asset or liability (for example, interest rate and yield curves); and inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3 - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

- (k) Subsequent Events – Management has evaluated subsequent events through March 14, 2025, the date the financial statements were available to be issued.

Vermont Natural Resources Council, Inc.

Notes to the Financial Statements

June 30, 2024 and 2023

(3) Promises to Give

Grants and contributions receivable at June 30, 2024 and 2023 consisted of \$177,780 and \$137,619 in unrestricted promises to give (representing amounts earned but not yet received on reimbursement-type, government grants). Conditional promises to give at June 30, 2024 and 2023 were approximately \$1,718,500 and \$1,018,600 and represented the remaining, unexpended and unreceived amounts on reimbursement-type, governmental grants – almost all of which are restricted to water projects. Conditional grants receivable are not recorded until the conditions have been substantially met.

(4) Affiliated Organization

VNRC entered into a “Resource Sharing Agreement” with Vermont Conservation Voters, Inc. (“VCV”), an unrelated, non-profit organization qualifying for tax exempt status under Internal Revenue Code Section 501(c)(4). Under the agreement, VNRC employees provide program, administrative, and fundraising services to VCV. VCV reimburses VNRC for salary and other direct costs, as well as allocable overhead expenses, monthly. Total costs of services provided by VNRC to VCV for the fiscal years ended June 30, 2024 and 2023 were approximately \$190,100 and \$194,800, respectively, and substantially all amounts due for both fiscal years were paid by June 30th.

(5) Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land, building and improvements	\$ 2,546,169	\$ 2,547,494
Office furniture and equipment	192,647	188,038
Vehicle	<u>15,599</u>	<u>15,599</u>
	2,754,415	2,751,131
Less: accumulated depreciation	<u>(652,406)</u>	<u>(569,421)</u>
Property and equipment, net	<u>\$ 2,102,009</u>	<u>\$ 2,181,710</u>

Depreciation expense amounted to \$82,984 and \$82,986 for the years ended June 30, 2024 and 2023, respectively.

Vermont Natural Resources Council, Inc.

Notes to the Financial Statements

June 30, 2024 and 2023

(6) Investments and Board Designated Funds

VNRC maintains three separate investment accounts that include a mixture of board designated (funds without donor restrictions) and donor restricted funds as follows:

- “The General Fund” includes primarily board designated funds (including a number of memorial funds and funds from large bequests) along with the approximately \$50,000 corpus of the “Mollie Beattie Intern Fund” – a fund to be invested in perpetuity with earnings supporting the Organization’s annual “Mollie Beattie Intern”.
- The “Elizabeth Courtney Fund for the Future” (“CFFF”) – a board designated fund whose purpose is to help ensure the long-term stability of the Organization. See Note 10 for other CFFF funds in bequests receivable and invested in notes receivable and a certificate of deposit.
- The “Zilliacus Legal Fund” – composed of funds with donor restrictions restricted to the internal and external legal costs of the Organization along with other non-donor restricted funds.

The cost, fair market value, and unrealized appreciation (depreciation) of the Organization’s investments, by investment class, are summarized as follows:

	Cost	Fair Value	Unrealized (Depreciation) Appreciation
As of June 30, 2024			
Money market funds	\$ 207,393	\$ 207,393	\$ -
Corporate bonds and agency securities	1,163,312	1,081,459	(81,853)
Equities and exchange traded funds	1,355,784	2,449,751	1,093,967
Other assets	44,136	41,194	(2,942)
	\$ 2,770,625	\$ 3,779,797	\$ 1,009,172
	Cost	Fair Value	Unrealized (Depreciation) Appreciation
As of June 30, 2023			
Money market funds	\$ 266,702	\$ 266,702	\$ -
Corporate bonds and agency securities	1,244,984	1,109,993	(134,991)
Equities and exchange traded funds	1,351,620	2,206,015	854,395
Other assets	42,266	49,190	6,924
	\$ 2,905,572	\$ 3,631,900	\$ 726,328

Vermont Natural Resources Council, Inc.

Notes to the Financial Statements

June 30, 2024 and 2023

Investments and Board Designated Funds (continued)

The Organization uses the following methods to determine the fair value of its investments:

Money market funds: Determined by the published net asset value (“NAV”) per unit at the end of the last trading day of the year, which is the basis for transactions at that date. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities and then divided by the number of shares held by the Organization at year end. NAV is quoted in an active market.

Equity securities traded on national securities exchanges: Determined by the closing price on the last business day of the year.

Mutual funds: Valued at the daily closing price as reported by the fund.

Fixed income: Determined by the closing bid price on the last business day of the year.

All investments held are Level 1.

(7) Concentration of Cash on Deposit

The Organization has concentrated its credit risk by maintaining deposits in financial institutions that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC) or other federal agencies. VNRC has not experienced any losses in such accounts and believes it is not exposed to any unreasonable credit risk to cash.

(8) Retirement Plan

VNRC maintains a “Savings Incentive Match Plan for Employees of Small Employers (SIMPLE)”, which is open to all employees whose annual compensation exceeds \$5,000. Employees can make elective contributions up to prescribed limits with VNRC matching employees’ contributions up to 3% of compensation. The total related expense under the SIMPLE plan for the years ended June 30, 2024 and 2023 was \$31,146 and \$27,362, respectively.

Vermont Natural Resources Council, Inc.
Notes to the Financial Statements
June 30, 2024 and 2023

(9) Net Assets

Net assets with donor restrictions consisted of the following:

	<u>Purpose Restrictions</u>	<u>Invested in Perpetuity</u>	<u>Total</u>
As of June 30, 2024			
Investments:			
Zilliacus Legal Fund	\$ 666,978	\$ -	\$ 666,978
Mollie Beattie Intern Fund	-	50,249	50,249
Grants received and promised restricted for:			
Energy	62,067	-	62,067
Forests	30,501	-	30,501
Water	20,506	-	20,506
Sustainable communities	52,492	-	52,492
Other special projects	<u>46,825</u>	<u>-</u>	<u>46,825</u>
Total net assets with donor restrictions	<u>\$ 879,369</u>	<u>\$ 50,249</u>	<u>\$ 929,618</u>
As of June 30, 2023			
Investments:			
Zilliacus Legal Fund	\$ 722,786	\$ -	\$ 722,786
Mollie Beattie Intern Fund	-	50,249	50,249
Grants received and promised restricted for:			
Energy	116,956	-	116,956
Forests	27,776	-	27,776
Water	7,494	-	7,494
Sustainable communities	14,188	-	14,188
Other special projects	<u>26,085</u>	<u>-</u>	<u>26,085</u>
Total net assets with donor restrictions	<u>\$ 915,285</u>	<u>\$ 50,249</u>	<u>\$ 965,534</u>

(10) Board Designated Notes Receivable

In January 2019, VNRC invested \$600,000 from a bequest in five, unsecured notes receivable with the Vermont Community Loan Fund. The notes range in maturity from one to five years and accrue interest at annual rates ranging from 1% - 2.25%. Accrued interest as of June 30, 2024 and 2023 is included in the notes receivable balance on the statements of financial position. As of June 30, 2024 and 2023 there was \$60,611 and \$48,490 of accrued interest.

Vermont Natural Resources Council, Inc.

Notes to the Financial Statements

June 30, 2024 and 2023

(11) Functional Allocation of Expenses

The costs of providing the various programs have been summarized on a functional basis in the statement of activities. The Organization allocates its payroll, tax and benefit costs based on time worked by staff on the various program, general and administrative and fundraising activities as shown on contemporaneously prepared timesheets. Other costs (such as facility expenses, insurance, office supplies, postage, telephone and related costs, and certain travel expenses and depreciation) are attributed to and benefit one or more program or supporting services and are allocated based on the direct payroll allocation percentages discussed above.

(12) Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to the timing of general fundraising efforts and program activities. VNRC manages liquidity by investing surplus funds in its operating cash accounts and then withdrawing them as needed.

The following reflects the Organization's financial assets as of June 30, reduced by amounts not available for general use within one year because of donor imposed restrictions or internal board designations. Amounts available include donor restricted amounts that are available for general expenditure in the following year (i.e. time restricted donations, if any).

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 547,707	\$ 612,011
Receivables expected to be collected in the next year	177,780	137,619
Less: net assets with donor restrictions for specific purposes	<u>(212,391)</u>	<u>(192,499)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 513,096</u>	<u>\$ 557,131</u>