

RESOURCES LEGACY FUND

**CONSOLIDATED FINANCIAL
STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT**

**YEARS ENDED
DECEMBER 31, 2020 AND 2019**

INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Resources Legacy Fund
Sacramento, California**

We have audited the accompanying consolidated financial statements of Resources Legacy Fund and Resources Legacy Fund Foundation (collectively, the Fund), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Fund as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Gilbert CPAs". The signature is written in a cursive, flowing style.

GILBERT CPAs
Sacramento, California

March 26, 2021

RESOURCES LEGACY FUND

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 12,774,902	\$ 12,146,907
Short-term investments	19,188,173	29,446,838
Current portion of contributions receivable	4,518,720	8,384,819
Prepaid expenses and other assets	620,634	819,703
Total current assets	37,102,429	50,798,267
INVESTMENTS	71,192,083	66,977,084
CONTRIBUTIONS RECEIVABLE, Net	355,927	1,724,055
EQUIPMENT AND FURNITURE, Net	179,493	271,462
TOTAL ASSETS	<u>\$ 108,829,932</u>	<u>\$ 119,770,868</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 52,313	\$ 99,934
Current portion of grants and contracts payable	6,313,001	5,416,053
Accrued expenses	1,969,811	1,545,066
Deferred revenue	225,000	
Current portion of deferred rent	45,504	33,780
Paycheck Protection Program loan	1,500,000	
Total current liabilities	10,105,629	7,094,833
DEFERRED RENT, Net	66,277	111,719
GRANTS AND CONTRACTS PAYABLE, Net	75,000	150,000
Total liabilities	<u>10,246,906</u>	<u>7,356,552</u>
NET ASSETS:		
Without donor restrictions	4,299,590	4,425,683
With donor restrictions	94,283,436	107,988,633
Total net assets	<u>98,583,026</u>	<u>112,414,316</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 108,829,932</u>	<u>\$ 119,770,868</u>

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

RESOURCES LEGACY FUND

CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions	\$ 31,339,055	\$ 42,878,225
Interest and investment income	5,241,603	7,345,153
Distribution of program funds to Parks California	(1,800,000)	
Net assets released from restrictions	<u>(48,485,855)</u>	<u>(40,636,688)</u>
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	<u>(13,705,197)</u>	<u>9,586,690</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
REVENUES:		
Contributions	286,744	239,686
Contracts	1,589,677	757,478
Interest and investment income	384,335	737,635
Net assets released from restrictions	<u>48,485,855</u>	<u>40,636,688</u>
Total revenues	<u>50,746,611</u>	<u>42,371,487</u>
EXPENSES:		
Program services:		
Conservation	47,773,101	40,036,001
Supporting services:		
General and administrative	2,849,080	2,787,041
Fundraising	<u>250,523</u>	<u>258,762</u>
Total supporting services	<u>3,099,603</u>	<u>3,045,803</u>
Total expenses	<u>50,872,704</u>	<u>43,081,804</u>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(126,093)</u>	<u>(710,317)</u>
INCREASE (DECREASE) IN NET ASSETS	(13,831,290)	8,876,373
NET ASSETS, Beginning of year	<u>112,414,316</u>	<u>103,537,943</u>
NET ASSETS, End of year	<u>\$ 98,583,026</u>	<u>\$ 112,414,316</u>

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

RESOURCES LEGACY FUND

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES YEARS ENDED DECEMBER 31, 2020 AND 2019

2020				
	Conservation program	General and administrative	Fundraising	Total
Grants and contracts	\$ 34,608,651			\$ 34,608,651
Salaries and benefits	11,652,028	\$ 2,221,758	\$ 206,401	14,080,187
Facilities	567,221	151,135	22,213	740,569
IT and website	301,217	127,138	13,248	441,603
Professional services	187,505	137,947		325,452
Travel	181,375	9,255	267	190,897
Office supplies and expenses	116,507	65,689	5,635	187,831
Business insurance	19,536	102,679		122,215
Depreciation expense	62,145	27,065	2,759	91,969
Conferences and meetings	76,916	6,414		83,330
Total	\$ 47,773,101	\$ 2,849,080	\$ 250,523	\$ 50,872,704

2019				
	Conservation program	General and administrative	Fundraising	Total
Grants and contracts	\$ 26,117,952	\$ 200,000		\$ 26,317,952
Salaries and benefits	11,454,968	1,954,623	\$ 203,950	13,613,541
Facilities	658,110	122,183	24,151	804,444
IT and website	276,701	118,648	12,227	407,576
Professional services	271,914	99,945		371,859
Travel	838,728	70,228	8,071	917,027
Office supplies and expenses	170,363	84,401	7,962	262,726
Business insurance	18,659	101,620		120,279
Depreciation expense	54,342	23,293	2,401	80,036
Conferences and meetings	174,264	12,100		186,364
Total	\$ 40,036,001	\$ 2,787,041	\$ 258,762	\$ 43,081,804

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

RESOURCES LEGACY FUND

CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (13,831,290)	\$ 8,876,373
Reconciliation to net cash provided by operating activities:		
Depreciation	91,969	80,036
Net realized and unrealized gain on investments	(3,918,179)	(5,478,238)
Receipt of donated investments	(200,365)	(2,020,364)
Changes in:		
Contributions receivable	5,234,227	(3,392,956)
Prepaid expenses and other assets	199,069	(447,519)
Accounts payable	(47,621)	(3,414)
Grants and contracts payable	821,948	(762,742)
Accrued expenses	424,745	174,224
Deferred revenue	225,000	
Deferred rent	(33,718)	(24,012)
Net cash used by operating activities	<u>(11,034,215)</u>	<u>(2,998,612)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment		(107,410)
Purchases of investments	(67,170,298)	(74,349,880)
Proceeds from sales and maturity of investments	<u>77,332,508</u>	<u>69,059,037</u>
Net cash provided (used) by investing activities	<u>10,162,210</u>	<u>(5,398,253)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Paycheck Protection Program loan	<u>1,500,000</u>	<u> </u>
Net cash provided by financing activities	<u>1,500,000</u>	<u> </u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 627,995	 (8,396,865)
 CASH AND CASH EQUIVALENTS, Beginning of year	 <u>12,146,907</u>	 <u>20,543,772</u>
 CASH AND CASH EQUIVALENTS, End of year	 <u>\$ 12,774,902</u>	 <u>\$ 12,146,907</u>

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

RESOURCES LEGACY FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Resources Legacy Fund (RLF) is an independent, nonprofit organization that works closely with philanthropists to conserve land, water, and ocean resources while advancing healthy communities and social equity. RLF partners with philanthropic institutions and individuals to design and administer strategic programs that engage economically and ethnically diverse community-based groups, advance equitable policies, and secure public funding for the environment, climate change resilience, and community health. RLF makes grants and enters into contracts for land acquisition, research, policy, outreach and education, capacity building, planning, communications, and stewardship and restoration activities.

The accompanying financial statements reflect the consolidation of Resources Legacy Fund and Resources Legacy Fund Foundation (the Foundation). The Foundation was a nonprofit corporation established to support, perform essential services for, and operated for the benefit of Resources Legacy Fund. On March 5, 2020, the Foundation was dissolved.

Resources Legacy Fund and the Foundation (collectively, the Fund) shared common management and Board of Directors. Material transactions between entities have been eliminated in consolidation.

Basis of presentation – The consolidated financial statements are presented in conformity with professional standards applicable to not-for-profit entities. The Fund reports information regarding its consolidated position and activities according to the following net asset classifications:

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 organization. These net assets may be used at the discretion of management.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires (generally, as payments are made to fulfill the purposes of the contribution), 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. The Fund has no donor-imposed restrictions that are perpetual in nature.

Revenue recognition – Contributions, including grants and contracts obtained from private foundations, other nonprofit organizations, and individual donors, are recognized in full when received or unconditionally promised, in accordance with professional standards. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Refer to Note 4 for information regarding the Fund's unrecognized conditional promises to give. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes. Donor restricted amounts are reported as increases in net assets with donor restrictions. Net assets with donor restrictions become unrestricted and are reported in the statements of activities as net assets released from restrictions when the time restrictions expire, or the contributions are used for the restricted purpose.

RESOURCES LEGACY FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

The Fund's revenue from contracts with customers consists of agreements entered into where each party receives commensurate value. Revenue is recognized as the Fund satisfies various performance obligations outlined in the agreements. Payment terms are outlined in the agreements and vary based on the objectives and structure of the contracts. For the years ended December 31, 2020 and 2019, all revenue from contracts were recognized at the point in time in which the required performance obligations were met. Deferred revenue for payments received in advance of satisfaction related performed obligations as of December 31, 2020 was \$225,000.

Cash and cash equivalents – For financial statement purposes, the Fund considers all investments with a maturity at purchase of three months or less to be cash equivalents.

Long-term contributions receivable are expected to be received within five years.

Investments are stated at fair value. Changes in fair value and realized gains and losses are included in investment income.

Equipment and furniture are stated at cost and depreciated using the straight-line method over estimated useful lives of three to ten years. The Fund's policy is to capitalize such items with a cost of \$2,000 or more. Accumulated depreciation totaled \$384,181 and \$292,212 at December 31, 2020 and 2019, respectively.

Functional allocation of expenses – The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, facilities, IT and website, office supplies and expenses, and depreciation. Salaries and benefits are allocated based on time and effort studies. All other expenses are allocated based on the proportion of the number of program or supporting function employees benefiting from the expenses per month. The Fund accounts for its expenditures in the following categories:

Conservation – Expenditures are related to a broad range of activities necessary to accomplish the Fund's programs related to land, marine, and water resources conservation; climate changes, healthy communities, and social equity. These include retaining a range of specialists to develop strategies; carry out policy, education, and communications activities; perform scientific research; and restore and monitor land and ocean resources. These also include granting to nonprofit entities to carry out strategic planning, land acquisition, restoration and stewardship, capacity building, outreach, education, communications, policy, and other program activities.

General and administrative – Expenditures are related to building and maintaining an efficient business infrastructure, including oversight, business and financial management, governance, general recordkeeping, budgeting, and all management and administration, except for that which is related to fundraising or is directly attributable to the conduct of conservation program services.

Fundraising – Expenditures are related to time spent on developing new programs, preparing proposals and soliciting contributions.

RESOURCES LEGACY FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

Grants awarded – The Fund recognizes grant expense at the time grant negotiations are substantially complete with the grantee and the grant award has been approved by executive management or the Board of Directors. Grants that have been determined to be conditional, which depend on the occurrence of specified uncertain events, are not recorded until the conditions have been met. Approximate outstanding conditional grants for the purchase of land acquisitions were \$10,507,958 at December 31, 2020 and will be recognized as grant expense as the conditions are met.

Contracts awarded – The Fund contracts with consultants that provide a variety of services to the Fund’s programs. These contracts are considered exchange transactions as the Fund receives commensurate value for the services provided. The Fund recognizes contract expenses as services or work is performed or expected to be performed.

Income taxes – Resources Legacy Fund, a publicly supported organization, and the Foundation are exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Foundation was classified as a supporting organization of Resources Legacy Fund.

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements – In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (*Topic 958*), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new accounting standard clarifies and improves the guidance for (1) evaluating whether transactions should be accounted for as contributions within the scope of Topic 958 or as exchange transactions subject to other guidance and (2) determining whether a contribution is conditional. The Fund has implemented this accounting standard in the accompanying financial statements effective January 1, 2020 under the modified prospective basis for all transactions for which they serve as the resource provider. Accordingly, there is no effect on beginning net assets in connection with the implementation of ASU 2018-08.

Future Accounting Pronouncement – In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The new accounting standard requires lessees to recognize a lease liability measured on a discounted basis and a right-of-use asset for all leases with terms longer than 12 months. Application of this statement is effective for the year ending December 31, 2022. The Fund is currently evaluating the impact this pronouncement will have on the financial statements.

Subsequent events have been evaluated through March 26, 2021, the date the consolidated financial statements were issued. Management concluded that no material subsequent events have occurred since December 31, 2020, that require recognition or disclosure in the financial statements.

Fair value measurements – Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to

RESOURCES LEGACY FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

In order to increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs is used to measure fair value into three broad levels, as follows:

Level 1 Inputs	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2 Inputs	Inputs other than quoted prices in active markets that are observable either directly or indirectly.
Level 3 Inputs	Unobservable inputs for the assets or liabilities.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Fund's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 12,774,902	\$ 12,146,907
Investments	90,380,256	96,423,922
Contributions receivable	<u>4,874,647</u>	<u>10,108,874</u>
Total financial assets	108,029,805	118,679,703
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose or time restrictions	(94,283,436)	(107,988,633)
Board-designated funds	<u>(4,299,590)</u>	<u>(4,425,683)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 9,446,779</u>	<u>\$ 6,265,387</u>

The Fund is substantially supported by restricted contributions. Because donor's restriction requires resources to be used in a particular manner or in a future period, the Fund must maintain sufficient resources to meet those responsibilities to its donors. Thus, certain financial assets may not be available for general expenditure within one year. All of the Fund's investments are highly liquid or may be redeemed either at a future specified redemption dates or currently by incurring a penalty. In addition, the Fund invests cash in excess of daily requirements in short-term investments.

As part of the Fund'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. All board-designated funds can be made available to meet operating needs if necessary.

RESOURCES LEGACY FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

3. INVESTMENTS

The Fund's mutual funds and exchange traded funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets for identical assets. Corporate bonds, municipal bonds, and government securities are classified within Level 2 of the fair value hierarchy because they are valued using alternative pricing methods using observable inputs, such as current interest rates. Investments consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Government asset backed debt securities	\$ 14,725,054	\$ 14,660,522
Corporate bonds	5,640,723	17,927,078
Government debt securities		1,911,850
Mutual funds – fixed income	33,991,483	41,046,359
Mutual funds – equity	19,691,523	19,693,537
Municipal bonds	8,142,546	
Exchange traded funds	<u>8,188,927</u>	<u>1,184,576</u>
Total	<u>\$ 90,380,256</u>	<u>\$ 96,423,922</u>

4. CONDITIONAL PROMISES TO GIVE

During 2018, the Fund received a \$2,749,534 conditional grant and met program initiatives and milestones required to recognize \$820,825 and \$401,294 in revenue in 2020 and 2019, respectively. The remaining \$1,126,121 has not been recognized as revenue in the financial statements as of December 31, 2020. No other conditional promises to give were received in the year ended December 31, 2020.

5. PAYCHECK PROTECTION PROGRAM LOAN

On April 27, 2020, the Fund received a Paycheck Protection Program (PPP) loan under the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act totaling \$1,500,000. The terms and repayment conditions of PPP loans were modified through the subsequent Paycheck Protection Program Flexibility Act (PPPFA) signed into law in June 2020. Under the CARES Act, as modified by PPPFA, a portion or all of the loan and accrued interest may be forgiven provided the funds are spent on qualifying payroll and other expenditures in the 24-week period following the loan and provided certain other criteria regarding full-time equivalent employee and payroll levels are maintained. The portion of the loan that does not qualify for forgiveness or any additional amount that the Fund chooses to retain as a loan, is required to be repaid within 2 years at 1% interest, with payments commencing 10 months subsequent to covered period of 24 weeks following the date of disbursement of the loan.

The Fund plans to apply for forgiveness, however the application for loan forgiveness is subject to approval by the lender and could also be subject to audit at a future date. It is reasonably possible that the entire loan will be required to be repaid.

RESOURCES LEGACY FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

If the Fund is required or chooses to repay the loan in full, future minimum principal payments on the loan payable are as follows:

Year ending June 30:

2021	\$ 1,038,461
2022	<u>461,539</u>
Total	<u>\$ 1,500,000</u>

The Fund accrued interest expense of \$10,233 for this loan as of December 31, 2020.

6. LEASE COMMITMENTS

The Fund leases certain office space and equipment under non-cancelable operating lease agreements which expire through 2023. The Fund has an operating lease for office space, which is held with Resources Law Group (RLG) whose partner is the president of the Fund. Rental expense was \$784,028 and \$816,851 for the years ended December 31, 2020 and 2019, respectively. Future minimum lease payments are as follows:

Year ending December 31:

2021	\$ 585,218
2022	555,737
2023	<u>116,733</u>
Total	<u>\$ 1,257,688</u>

7. NET ASSETS

Net assets without donor restrictions are designated for the following at December 31:

	<u>2020</u>	<u>2019</u>
Operating reserve	\$ 3,756,463	\$ 3,304,362
Designated for various conservation programs	<u>543,127</u>	<u>1,121,321</u>
Total	<u>\$ 4,299,590</u>	<u>\$ 4,425,683</u>

RESOURCES LEGACY FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

Net assets with donor restrictions are restricted for the following at December 31:

	<u>2020</u>	<u>2019</u>
Open Rivers Fund	\$ 48,105,237	\$ 48,344,905
Northwest Mexico Land Conservation	15,165,505	15,872,806
Western Energy Project	3,386,835	2,662,839
Coalition to Expand Contraceptive Access	2,541,964	3,853,424
Sustaining California's Ocean	2,190,615	1,790,465
Biological Diversity Project	2,102,793	2,292,594
Wildlands Acquisition Program	1,887,228	2,740,719
California Conservation Innovations	1,872,410	6,501,902
Center for Western Priorities	1,540,869	2,185,718
Bay Area Conservation Initiative	1,240,468	787,898
Program Expansion Fund	1,135,425	1,778,140
Decreasing Impacts from Roads and Travel	1,116,560	595,526
Ocean Defense Initiative	1,081,563	1,374,521
Bears Ears Inter-Tribal Coalition	1,076,720	249,585
California Coastal Program	1,054,752	861,538
National Ocean Protection Coalition	846,574	903,068
Boreal Strategic Advisors	813,703	1,354,412
San Francisco Baylands Restoration	801,944	1,021,603
Wildfire Strategies	763,921	
Western Communications Hub	717,912	969,529
Student Borrower Protection Center	600,790	792,855
Fisheries Improvement Strategy	541,567	1,231,773
Land-Sea Connection	371,783	834,232
Public Land Stewardship	358,006	830,320
Hawaii Marine Planning	332,067	140,960
Litigation Clearinghouse	301,930	729,037
Parks Forward Initiative Implementation	258,631	463,602
Canada and Mexico Protected Area Fund	212,973	498,273
Other land and resource conservation programs	<u>1,862,691</u>	<u>6,326,389</u>
Total	<u>\$ 94,283,436</u>	<u>\$ 107,988,633</u>

8. CONCENTRATIONS

The Fund minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. The Fund's deposits held with financial institutions in excess of federal depository insurance limits were \$12,903,562 and \$12,297,066 as of December 31, 2020 and 2019, respectively. The Fund has not experienced any losses in such accounts and management believes the Fund is not exposed to any significant credit risk related to cash.

The Fund had four major donors that accounted for 49% of total contributions in 2020 and four major donors that accounted for 51% of total contribution revenues in 2019.

RESOURCES LEGACY FUND

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

9. RETIREMENT PLAN

The Fund sponsors a 403(b) retirement plan under which the Fund makes a safe harbor matching contribution and may also make discretionary contributions. Under this plan, employees may participate beginning on the first day of the month following employment. For 2020 and 2019, the Fund made safe harbor matching contributions of 100% of the first 5% of eligible compensation. The Fund also elected to make a 3% discretionary contribution of eligible compensation. Under this plan, employees are 100% vested in safe harbor contributions, and vest in 50% increments per year, over two years, in all other employer contributions. Contributions made to the plan totaled \$782,805 and \$732,453 for 2020 and 2019, respectively.

10. RELATED PARTY

The president of the Fund is also the president of Fund for a Better Future, Inc. (FBF), Shared Ascent Fund (SAF), and a partner at Resources Law Group (RLG). The Fund has an agreement with FBF, SAF, and RLG to share resources of staff, office services, and technology resources. Additionally, the Fund subleases office space from RLG and pays monthly rent to the landlord based on a proportionate share of space. The Fund received the following reimbursements for shared services during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Resources Law Group	\$ 185,577	\$ 242,703
Fund for a Better Future, Inc.	195,523	208,508
Shared Ascent Fund	<u>98,078</u>	<u>2,975</u>
Total	<u>\$ 479,178</u>	<u>\$ 454,186</u>

The Fund did not contribute any funds to FBF or SAF in 2020 or 2019.

11. TRANSFER TO PARKS CALIFORNIA

In January 2020, Parks California, a fiscally sponsored program of the Fund, became an independent organization and the Fund entered into a Transfer and Assignment Agreement (Agreement) with Parks California. Under the Agreement, the Fund transferred to Parks California during 2020 all of the assets associated with the program, including cash of \$1,800,000 which resulted in a net distribution of unspent restricted program funds. The Agreement also assigned to Parks California all intangible intellectual property and ownership rights to assignable work product created under any agreements entered into by the Fund on behalf of Parks California during the term of the fiscal sponsorship.

12. RISKS AND UNCERTAINTIES

As a result of the ongoing COVID-19 pandemic, economic uncertainties have arisen which could have a negative impact on the Fund through business disruption or decreases in funding. While the impact is expected to be temporary, there is considerable uncertainty around the duration of the impact. Therefore, the potential financial impact and duration cannot be reasonably estimated at this time.