

SOUTHEAST ALASKA CONSERVATION COUNCIL

Financial Statements

(With Independent Auditor's Report)

Years Ended March 31, 2020 (Audited) and March 31, 2019 (Reviewed)

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Independent Auditors Report

Members of the Board of Directors
Southeast Alaska Conservation Council
Juneau, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of Southeast Alaska Conservation Council (a nonprofit organization), which comprise the statement of financial position as of March 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Members of the Board of Directors
Southeast Alaska Conservation Council

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Alaska Conservation Council as of March 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.

Prior Period Financial Statements

The 2019 financial statements of Southeast Alaska Conservation Council were reviewed by us, and our report thereon, dated August 21, 2019, stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion of the financial statements.

Altman, Rogers & Co.

Juneau, Alaska
August 18, 2020

SOUTHEAST ALASKA CONSERVATION COUNCIL

Statements of Financial Position

Years ended March 31, 2020 (Audited) and March 31, 2019 (Reviewed)

<u>ASSETS</u>	<u>2020 (Audited)</u>	<u>2019 (Reviewed)</u>
Current assets:		
Cash and cash equivalents	\$ 247,101	113,334
Investments	477,083	138,308
Inventory	5,421	9,695
Prepays	1,890	8,219
Restricted cash - funds held in escrow	-	369,424
Total current assets	<u>731,495</u>	<u>638,980</u>
Non-current assets:		
Property and equipment, net	369,423	314,452
Total non-current assets	<u>369,423</u>	<u>314,452</u>
Total assets	<u>\$ 1,100,918</u>	<u>953,432</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	3,831	8,233
Accrued payroll and related taxes	21,284	21,074
Accrued leave	13,477	13,820
Total current liabilities	<u>38,592</u>	<u>43,127</u>
Net assets:		
Without donor restrictions	1,062,326	910,305
Total net assets	<u>1,062,326</u>	<u>910,305</u>
Total liabilities and net assets	<u>\$ 1,100,918</u>	<u>953,432</u>

See accompanying notes to the financial statements.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Statements of Activities

Years Ended March 31, 2020 (Audited) and March 31, 2019 (Reviewed)

	<u>2020 (Audited)</u>	<u>2019 (Reviewed)</u>
	<u>Without Donor Restrictions</u>	<u>Without Donor Restrictions</u>
Revenues and other support:		
Grants	\$ 543,094	391,773
Sale of Assets	50	-
Donations	542,505	439,777
Sponsorships	19,655	28,343
Retail sales, net	(3,651)	(970)
Investment income	(95,448)	48,690
Gain on Asset Sale	53,551	-
Dividends and Capital Gains	21,494	-
Other	11,984	6,503
Total revenues and other support	<u>1,093,234</u>	<u>914,116</u>
Expenses:		
Program services:		
The Tongass	235,402	184,988
Inside Passage Waters	326,967	324,620
Total program services	<u>562,369</u>	<u>509,608</u>
Supporting services:		
Management and general	324,837	315,012
Fundraising	54,007	61,042
Total supporting services	<u>378,844</u>	<u>376,054</u>
Total expenses	<u>941,213</u>	<u>885,662</u>
Change in net assets	<u>152,021</u>	<u>28,454</u>
Net assets without donor restrictions, beginning of year	<u>910,305</u>	<u>881,851</u>
Net assets without donor restrictions, end of year	<u>\$ 1,062,326</u>	<u>910,305</u>

See accompanying notes to the financial statements.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Statements of Functional Expenses

Years Ended March 31, 2020 (Audited) and March 31, 2019 (Reviewed)

		FY20 (Audited)					
		Program Services			Supporting Services		Total Program and Support Services
		The Tongass	Inside Passage Waters	Total Program Services	Management and General	Fundraising	
Personnel	\$	181,298	269,931	451,229	216,444	36,372	704,045
Communication		2,105	3,131	5,236	1,820	-	7,056
Contractual services		19,407	16,539	35,946	23,015	1,600	60,561
Facilities and equipment		9,422	10,213	19,635	16,905	-	36,540
Operations		2,634	2,162	4,796	14,400	2,129	21,325
Organizing		9,416	6,705	16,121	13,751	2,324	32,196
Travel and training		11,120	18,286	29,406	17,874	2,209	49,489
Events		-	-	-	124	9,373	9,497
Depreciation		-	-	-	20,504	-	20,504
Total expenses	\$	<u>235,402</u>	<u>326,967</u>	<u>562,369</u>	<u>324,837</u>	<u>54,007</u>	<u>941,213</u>
		FY19 (Reviewed)					
		Program Services			Supporting Services		Total Program and Support Services
		The Tongass	Inside Passage Waters	Total Program Services	Management and General	Fundraising	
Personnel	\$	150,182	214,493	364,675	217,396	42,778	624,849
Communication		829	785	1,614	4,561	-	6,175
Contractual services		645	68,205	68,850	18,440	1,100	88,390
Facilities and equipment		172	5,868	6,040	11,144	-	17,184
Operations		6,599	2,282	8,881	15,222	1,474	25,577
Organizing		10,979	6,078	17,057	11,836	1,611	30,504
Travel and training		15,582	26,909	42,491	26,621	1,230	70,342
Events		-	-	-	-	12,849	12,849
Depreciation		-	-	-	7,577	-	7,577
Miscellaneous		-	-	-	2,215	-	2,215
Total expenses	\$	<u>184,988</u>	<u>324,620</u>	<u>509,608</u>	<u>315,012</u>	<u>61,042</u>	<u>885,662</u>

See accompanying notes to the financial statements

SOUTHEAST ALASKA CONSERVATION COUNCIL

Statements of Cash Flows

Years Ended March 31, 2020 (Audited) and March 31, 2019 (Reviewed)

	<u>2020 (Audited)</u>	<u>2019 (Reviewed)</u>
Cash flows provided (used) by operating activities:		
Change in net assets	\$ 152,021	28,454
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Unrealized (gain) loss on investments	85,418	(101,053)
Depreciation	20,504	7,577
Gain on disposal of property and equipment	(53,551)	-
(Increase) decrease in assets:		
Prepays	6,329	3,788
Inventory	4,274	-
Increase (decrease) in liabilities:		
Accounts payable	(4,402)	1,680
Accrued payroll and related taxes	210	(7,437)
Accrued leave	(343)	797
Deferred revenue	-	(56,841)
Net cash provided (used) by operating activities	<u>210,460</u>	<u>(123,035)</u>
Cash flows provided by investing activities:		
Proceeds from sale of property and equipment	357,421	-
Purchases of property and equipment	(379,345)	-
Purchases of investments	(954,571)	(54,344)
Proceeds from sale of investments	530,378	588,504
Net cash provided by investing activities	<u>(446,117)</u>	<u>534,160</u>
Net change in cash and cash equivalents	(235,657)	411,125
Cash and cash equivalents, beginning of year	<u>482,758</u>	<u>71,633</u>
Cash and cash equivalents, end of year	\$ <u><u>247,101</u></u>	<u><u>482,758</u></u>
Cash and cash equivalents is comprised of:		
Cash and cash equivalents	247,101	113,334
Restricted cash - funds held in escrow	-	369,424
	\$ <u><u>247,101</u></u>	<u><u>482,758</u></u>

See accompanying notes to the financial statements.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Notes to Financial Statements

March 31, 2020 (Audited) and 2019 (Reviewed)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Southeast Alaska Conservation Council (SEACC) is a not-for-profit organization that has worked to protect the wild lands, clean water, and unique Southeast Alaskan way of life for over 50 years. The mission of the organization is to protect the special places of the world's largest temperate rainforest, promote conservation, and advocate for sustainability in human use of natural resources. Inspired by the land, wildlife, cultures, and communities of Southeast Alaska, SEACC strives to ensure this interconnected whole exists for future generations.

Accounting Assistance

SEACC contracts Foraker Group's professional financial services and relies on them for day to day bookkeeping and higher level accounting advice to ensure SEACC follows nonprofit accounting best practices.

Basis of Accounting and Presentation

The Southeast Alaska Conservation Council's accounting records are maintained on the accrual basis of accounting under which revenues are recognized when earned and expenses when incurred. The financial statement presentation follows accounting principles generally accepted in the United States of America.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Notes to Financial Statements, Continued

Income Tax Status

Southeast Alaska Conservation Council is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Although the Organization is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirements of filing Federal Income Tax Form 990T and a tax liability may be determined on these activities. Southeast Alaska Conservation Council's policy is to include penalties and interest associated with income taxes in income tax expense. The Organization's 990 is open to audit from State or Federal taxing agencies. The tax years open for audit are 2017 to 2019. Management is not aware of any uncertain tax positions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Southeast Alaska Conservation Council includes cash on deposit, cash on hand, certificates of deposits, and short-term investments with original maturities of three months or less, as cash equivalents.

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Inventory

Inventory consists of merchandise and materials to be sold at events and is valued at the lower of cost or fair value determined by the first-in, first-out method. Cost is determined by actual purchase price.

Fair Value of Financial Instruments

The Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are based on quoted market prices when available. The Organization does not have investments for which quoted market prices are not available.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable and (5) other current liabilities. The carrying amounts reported in the Statements of Financial Position for the above financial instruments closely approximates their fair value due to the short-term nature of these assets and liabilities.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond year end, are recorded as prepaid expense.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Notes to Financial Statements, Continued

Property and Equipment

Property and equipment are recorded as cost and depreciated using the straight-line method over the estimated useful life of the asset. Property and equipment are defined by SEACC as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

In-kind Contributions

Donated services are recognized as contributions if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by SEACC. In-kind contributions for space, supplies, and professional services are recorded in the statement of activities at market value and recognized as revenue and expenses in the period they are received, except for donated equipment, which is recorded as revenue in the period received and the asset is depreciated over its estimated useful life.

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. These estimates affect the reported amounts of assets and liabilities, 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 these estimates.

Deferred Grant Revenue

Deferred grant revenue represents amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met. Amounts received from granting agencies in advance of expending the funds for the purpose of the grant are included in this amount.

Annual Leave

Annual leave is accrued as earned by employees and recorded as an expense in the period earned.

Revenue Recognition

Unconditional promises to give cash and other assets to SEACC are reported at fair value at the date the promise is received. Conditional promises to give and indicators of intentions to give are reported at the fair value at the date the contribution is received. Contributions are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the Statement of Activities as net assets released from donor restrictions. Donor-restricted contributions whose restrictions are met the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Notes to Financial Statements, Continued

SEACC did not receive any promises to give during the years ended March 31, 2020 and March 31, 2019, respectively, and had no receivables for contributions.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant awards that are contributions – Grants that qualify as contributions are recorded as revenue with or without donor restrictions when received depending on stipulations provided by the donor.

Grant awards that are exchange transactions – Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

SEACC has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended, and ASU No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes these standards improves the usefulness and understandability of the Council's financial reporting.

Analysis of various provisions of these standards resulted in no significant changes in the way SEACC recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standards.

Advertising Costs

SEACC accounts for all advertising costs by expensing the full amount in the current period. These costs relate to general announcements in the local newspapers and other sources of mass broadcasting. The total amount of advertising costs expended for the years ended March 31, 2020 and March 31, 2019, was \$2,880 and \$758, respectively.

Functional Expenses

The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management has allocated personnel costs, facilities and equipment, and operations on the basis of estimates of time and effort.

II. CASH AND CASH EQUIVALENTS

Cash includes deposits in a checking account and money market accounts. SEACC has concentrated its credit risk by maintaining deposits in financial institutions, which at times may exceed amounts covered by insurance provided by the United States Federal Deposit Insurance Corporation (FDIC). The organization places cash with high credit quality financial institutions and considers any risk of loss to be insignificant.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Notes to Financial Statements, Continued

III. INVESTMENTS

Investments are reported on the basis of quoted market prices as of March 31, 2020 and March 31, 2019, respectively.

Investment return is summarized as follows:

	2020 (Audited)	2019 (Reviewed)
Change in fair market value of Mutual Funds:		
Beginning Balance	\$ 138,308	571,415
Sale of Investment	(530,378)	(588,504)
Purchase of Investments	954,571	54,344
Net Unrealized Gain (Loss)	(85,418)	101,053
Fair Value, end of year	\$ 477,083	138,308

Investment income is comprised of the following functions:

	2020	2019
Realized gains (losses)	\$ (10,030)	(52,363)
Unrealized gains (losses)	(85,418)	101,053
Investment fees	-	-
Net investment income	\$ (95,448)	48,690

The Organization's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methods and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

- Level 1 – Values are unadjusted quoted prices for identical assets and liabilities in active markets accessible at the measurement date.
- Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads and yield curves.
- Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization's estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Notes to Financial Statements, Continued

The following table provides information as of March 31 about SEACC's financial assets measured at fair value.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2020</u>				
Mutual Funds:				
Large Cap Equity	<u>\$477,083</u>	<u>-</u>	<u>-</u>	<u>\$477,083</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2019</u>				
Mutual Funds:				
Large Cap Equity	<u>\$138,308</u>	<u>-</u>	<u>-</u>	<u>\$138,308</u>

IV. DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

Program Services

The Tongas Program: Protect the Tongass' old-growth trees by advocating to keep the Tongass roadless and wild.

Inside Passage Waters: The Inside Passage Waters Program protects the Inside Passage Water resource by watchdogging mining projects across the border in Canada, and here in Alaska.

Supporting Services:

Management and General: Includes the functions necessary to maintain an adequate working environment; provide coordination of the Organization's programs; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising: Includes the activities of the Organization designed to raise revenues and contributions for the Organization's activities.

V. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents, unassigned	\$ 247,102	113,334
Investments	477,083	138,308
	<u>\$ 724,185</u>	<u>251,642</u>

In October, 2019, SEACC sold the Gold Street House for \$382,029 and had a gain of \$52,710.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Notes to Financial Statements, Continued

The SEACC reserve fund is held in an investment account with long-term investment funds, and the amount designated prior to the start of each budget year functions as the organizations "Rainy Day Fund." The reserve portion of the account principal is managed conservatively to prioritize financial stability and liquidity in case of sudden unexpected or catastrophic event or opportunity. The reserve fund prioritizes maintenance of four months-worth of operating expenses.

The Long-term investment fund includes the majority of SEACC's investments and Legacy Fund gifts, and will be managed for growth while protecting the principal. When SEACC's long-term investment fund reaches a total of \$1,500,000, a Financial Consultant will be retained by the Board Finance Committee, to help with oversight, and guide the Committee in increasing the diversity of funds held from three, to between three to five total funds. When the Long-term investment fund reaches \$5,000,000, an Investment Manager will be retained by the organization to administer the funds on behalf of the Finance Committee.

As of 2020, SEACC does not have sufficient funds to constitute the Long-term Investment fund at the \$1,500,000 level.

VI. GOVERNING BOARD DESIGNATIONS

SEACC's governing board has designated net assets without donor restrictions of \$1,062,326 and \$910,305 for the following purposes as of March 31, 2020 and March 31, 2019, respectively:

	<u>FY21</u>	<u>FY20</u>
Investments for the adopted investment policy:	\$477,083	\$138,308

VII. PROPERTY AND EQUIPMENT

Purchased assets are recorded at cost or estimated cost when original cost is not available. Contributed assets are recorded at fair value at the date of receipt. All capitalized assets are depreciated over their useful lives using the straight-line method. Useful lives of assets vary from 5 to 10 years for equipment and 40 years for buildings. Costs of repairs and maintenance are charged to expense as incurred.

Property and equipment and related accumulated depreciation at year end are as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ -	112,500
Building	372,392	228,500
Equipment	6,953	54,500
Accumulated depreciation	(9,922)	(81,048)
	<u>\$ 369,423</u>	<u>314,452</u>

Depreciation expense for the fiscal years ended March 31, 2020 for buildings and equipment were 9,310 and 11,194, respectively. Depreciation expense for the fiscal years ended March 31, 2019 for buildings and equipment were 5,713 and 1,864, respectively.

SOUTHEAST ALASKA CONSERVATION COUNCIL

Notes to Financial Statements, Continued

VIII. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured deposits at March 31, 2020 and March 31, 2019, respectively.

The Organization maintains an investment account which is comprised of equity securities and equity funds. The investments held are traded in an active market. The investments are not FDIC insured or bank guaranteed and may lose value.

IX. CONTINGENCIES

SEACC participates in a number of grant programs that are subject to program compliance by the grantors. Any disallowed claims would become a liability of the organization. Management believes they are in compliance with all requirements, and the risk of non-compliance is minimal.

X. 401(k) EXPENSES

SEACC maintains retirement savings plan covering substantially all employees who meet plan requirements. Total 401(k) expense for the years ended March 31, 2020 and March 31, 2019 was \$12,139 and \$7,272, respectively.

XI. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 18, 2020, the date which the financial statements were available for issue. SEACC was named as a beneficiary on an annuity contract. SEACC intends to select the annuity payments option with an estimated value of \$958,834. The annuity claim is expected to be finalized in FY21 and payments are expected to begin during FY21.

XII. RECLASSIFICATIONS

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets. The reclassifications related to the implementation of FASB issued Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606) and ASU No. 2018-08 Not-for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605).