Acadia Center

Financial Statements

Years Ended December 31, 2020 and 2019

WIPFLI

Independent Auditor's Report

To the Board of Directors
Acadia Center
Rockport, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of Acadia Center (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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; 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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.

Opinion

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

Wipfli LLP

Wipfli LLP
Augusta, Maine
June 28, 2021

Acadia Center
Statements of Financial Position

December 31,	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,775,260	$ 2,604,128
Contributions and grants receivable	62,899	65,774
Prepaid expenses	12,899	18,878
Total current assets	3,851,058	2,688,780
Furniture and equipment		
Furniture, equipment and software	137,489	71,788
Accumulated depreciation	(74,155)	(63,113)
Total furniture and equipment, net	63,334	8,675
Other assets		
Deposits	2,915	14,782
Investments	97,374	533,922
Total other assets	100,289	548,704
TOTAL ASSETS	$ 4,014,681	$ 3,246,159
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 29,872	$ 10,681
Accrued payroll liabilities and benefits	43,357	63,638
Refundable advance	299,100	-
Total current liabilities	372,329	74,319
Total liabilities	372,329	74,319
Net assets		
Without donor restrictions:		
Undesignated	2,594,851	2,159,415
Investment in furniture and equipment	63,334	8,675
Total without donor restrictions	2,658,185	2,168,090
With donor restrictions	984,167	1,003,750
Total net assets	3,642,352	3,171,840
TOTAL LIABILITIES AND NET ASSETS	$ 4,014,681	$ 3,246,159

See accompanying notes to financial statements.

Acadia Center

Statement of Activities

Year Ended December 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support			
Contributions	$ 482,426	$ -	$ 482,426
Foundations and grants	172,731	1,741,800	1,914,531
Interest income	11,476	-	11,476
Gain on investments	7,870	-	7,870
Other revenue	7,680	-	7,680
Total revenue and other support - before net assets released from restrictions	682,183	1,741,800	2,423,983
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	1,761,383	(1,761,383)	-
Total revenue and other support	2,443,566	(19,583)	2,423,983
Expenses			
Program services	1,675,584	-	1,675,584
Management and general	136,901	-	136,901
Fundraising and development	140,986	-	140,986
Total expenses	1,953,471	-	1,953,471
Change in net assets	490,095	(19,583)	470,512
Net assets, beginning of year	2,168,090	1,003,750	3,171,840
Net assets, end of year	$ 2,658,185	$ 984,167	$ 3,642,352

See accompanying notes to financial statements.

Acadia Center
Statement of Activities - Continued

Year Ended December 31, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support			
Contributions	$ 185,803	$ -	$ 185,803
Foundations and grants	70,180	1,663,000	1,733,180
Interest income	28,170	-	28,170
Gain on investments	11,499	-	11,499
Other revenue	2,655	-	2,655
Total revenue and other support - before net assets released from restrictions	298,307	1,663,000	1,961,307
Net assets released from restrictions			
Satisfaction of time and purpose restrictions	2,036,848	(2,036,848)	-
Total revenue and other support	2,335,155	(373,848)	1,961,307
Expenses			
Program services	1,793,820	-	1,793,820
Management and general	133,002	-	133,002
Fundraising and development	137,370	-	137,370
Total expenses	2,064,192	-	2,064,192
Change in net assets	270,963	(373,848)	(102,885)
Net assets, beginning of year	1,897,127	1,377,598	3,274,725
Net assets, end of year	$ 2,168,090	$ 1,003,750	$ 3,171,840

See accompanying notes to financial statements.

Acadia Center
Statement of Functional Expenses

Year Ended December 31, 2020	Program Services	Management and General	Fundraising and Development	Total Expenses
Salaries and wages	$ 1,223,881	$ 87,073	$ 66,145	$ 1,377,099
Payroll taxes and fringe benefits	213,024	19,352	12,372	244,748
Consultants	89,284	55	48,952	138,291
Occupancy	71,197	3,095	3,095	77,387
Travel	2,262	-	-	2,262
Technology	12,453	813	678	13,944
Communications	12,629	398	398	13,425
Meetings and conferences	2,319	-	20	2,339
Website	14,112	819	372	15,303
Depreciation	16,819	74	74	16,967
Accounting	-	16,533	-	16,533
Insurance	2,299	3,981	100	6,380
Miscellaneous	4,996	3,185	1,015	9,196
Books and subscriptions	4,869	107	580	5,556
Office supplies	2,970	159	196	3,325
Bank fees	-	613	3,425	4,038
Printing	612	16	2,839	3,467
Professional fees	965	19	19	1,003
Lobbying fees	430	215	-	645
Postage	463	374	706	1,543
Other taxes	-	20	-	20
Total expenses	$ 1,675,584	$ 136,901	$ 140,986	$ 1,953,471

See accompanying notes to financial statements.

Acadia Center

Statement of Functional Expenses - Continued

Year Ended December 31, 2019	Program Services	Management and General	Fundraising and Development	Total Expenses
Salaries and wages	$ 1,178,037	$ 85,369	$ 69,626	$ 1,333,032
Payroll taxes and fringe benefits	218,254	22,676	14,182	255,112
Consultants	109,193	-	39,714	148,907
Occupancy	117,789	5,121	5,121	128,031
Travel	31,178	627	308	32,113
Grant allocation to affiliates	50,000	-	-	50,000
Technology	16,706	646	2,416	19,768
Communications	16,419	684	761	17,864
Meetings and conferences	5,291	45	45	5,381
Website	13,245	558	558	14,361
Depreciation	14,271	41	41	14,353
Accounting	-	11,300	-	11,300
Insurance	2,738	3,783	119	6,640
Miscellaneous	1,958	201	56	2,215
Books and subscriptions	4,458	107	405	4,970
Office supplies	6,528	427	702	7,657
Bank fees	-	633	2,745	3,378
Printing	4,946	162	282	5,390
Professional fees	1,061	28	39	1,128
Lobbying fees	1,150	415	-	1,565
Postage and shipping	598	155	250	1,003
Other taxes	-	24	-	24
Total expenses	$ 1,793,820	$ 133,002	$ 137,370	$ 2,064,192

See accompanying notes to financial statements.

Acadia Center
Statements of Cash Flows

Years Ended December 31,	2020	2019
Cash flows from operating activities:		
Change in net assets	$ 470,512	$ (102,885)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	16,967	14,353
Net gain on investments	(7,870)	(11,499)
(Increase) decrease in operating assets:		
Accounts and grants receivable	2,875	(10,411)
Prepaid expenses	5,979	3,313
Deposits	11,867	1,275
Increase (decrease) in operating liabilities:		
Accounts payable	26,091	(1,347)
Accrued payroll liabilities and benefits	(27,181)	(16,257)
Refundable advance	299,100	-
Total adjustments	327,828	(20,573)
Net cash flows from operating activities	798,340	(123,458)
Cash flows from investing activities:		
Purchase of software	(71,626)	(4,499)
Proceeds from sale of investments	460,918	450,000
Purchases of investments	(16,500)	(456,104)
Net cash flows from investing activities	372,792	(10,603)
Net change in cash and cash equivalents	1,171,132	(134,061)
Cash and cash equivalents, beginning of year	2,604,128	2,738,189
Cash and cash equivalents, end of year	$ 3,775,260	$ 2,604,128

See accompanying notes to financial statements.

Note 1: Summary of Significant Accounting Policies

Organization

Acadia Center (the Organization) is a non-profit, research and advocacy organization committed to advancing the clean energy future. The Organization is at the forefront of efforts to build clean, low carbon and consumer friendly economies. The Organization's approach is characterized by reliable information, comprehensive advocacy and problem solving through innovation and collaboration.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), which involves the application of accrual accounting.

Revenue Recognition

Contributions and grants, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.

- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, 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 and grants that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Note 1: Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets of the Organization 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.

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. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For financial statement purposes, the Organization considers all depository accounts with financial institutions, including certificates of deposit with original maturities of less than 90 days, to be cash and cash equivalents.

Contributions and Grants Receivable

Unconditional contributions and grants receivable are reported at net realizable value. Management individually reviews all past due receivable balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of contributions and grants receivable are reduced by allowances that reflect management's estimate of uncollectible amounts. Management has deemed all contributions and grants receivable to be fully collectible; therefore, no allowance for uncollectible accounts has been recorded.

Investments

Investments are carried at estimated fair value based on quoted market prices. Interest and dividend income, as well as realized and unrealized gains and losses, are included in the change in net assets.

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

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. In determining fair value, the Organization uses various methods, including market, income, and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs.

The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.

- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, if applicable, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended December 31, 2020 and 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

C*ertificate of deposits* are measured using $1 as the net asset value (NAV).

Equity securities consist of individual stocks. Equity securities are valued at the closing price reported on the active market on which the individual securities are traded.

Note 1: Summary of Significant Accounting Policies (Continued)

Concentration of Revenue

Of the revenues received by the Organization for the years ended December 31, 2020 and 2019, approximately 55% and 50%, respectively, were from its four largest revenue sources. Changes in or elimination of these revenue sources could adversely affect operations of the Organization if other revenue sources are not readily available.

Functional Expenses

The costs of program and other activities have been summarized on a functional basis in the statements 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. Personnel costs are allocated based on time and effort reporting. Other operating costs are allocated based on utilization.

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and has been determined not to be a private foundation within the meaning of Section 509(a) of the Code.

Use of Estimates

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

Recent Accounting Pronouncements

Leasing

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their statement of financial position as liabilities, with corresponding “right-of-use” assets. The standard is effective for annual reporting periods in fiscal years that begin after December 15, 2021. Management is currently evaluating the impact of adoption on its financial statements.

Note 2: Liquidity and Availability

The Organization strives to maintain liquid financial assets sufficient to cover approximately eight months of general expenditures. The following table reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures beyond one year of the statements of financial position date because of donor restrictions or internal board designations.

	2020	2019
Cash and cash equivalents	$ 3,775,260	$ 2,604,128
Contributions and grants receivable	62,899	65,774
	3,838,159	2,669,902
Less: net assets with donor restrictions	(984,167)	(1,003,750)
	$ 2,853,992	$ 1,666,152

Note 3: Concentration of Credit Risk

The Organization maintains cash balances at various financial institutions in the United States (U.S.) and Canada. As of December 31, 2020 and 2019, deposits in the U.S. were insured by FDIC up to a maximum amount of $250,000 per institution, and deposits in Canada were insured by CDIC up to a maximum amount of $100,000 per institution. Additionally, the Organization holds a repurchase agreement with a local bank (U.S.) providing federally-backed collateralization for certain cash balances. At December 31, 2020 and 2019, the Organization's uninsured and uncollateralized cash balances totaled $6,041 and $5,479, respectively.

Note 4: Furniture and Equipment

Significant items of furniture and equipment with estimated useful lives of more than one year and with a cost of $2,500 or more are capitalized at cost if purchased, or at fair market value if donated. The Organization depreciates furniture and equipment using the straight-line methods. Estimated useful lives of the respective assets range from three to five years.

Note 5: Investments

Investments at December 31, 2020 and 2019, consisted of the following:

	2020	2019
Equity securities	$ 97,374	$ 75,925
Certificates of deposit	-	457,997
	$ 97,374	$ 533,922

Note 5: Investments (Continued)

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statements of financial position.

The reported values of assets measured at fair value on a recurring basis are classified as follows at December 31, 2020:

		Fair Value Measurements at Report Date Using		
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Equity securities	$ 97,374	$ 97,374	$ -	$ -

The reported values of assets measured at fair value on a recurring basis are classified as follows at December 31, 2019:

		Fair Value Measurements at Report Date Using		
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Equity securities	$ 75,925	$ 75,925	$ -	$ -
Certificates of deposit	457,997	457,997	-	-
	$ 533,922	$ 533,922	$ -	$ -

Transfers between levels of assets are recognized on the actual date of the event or change in circumstance that caused the transfer; there were no transfers between levels of assets during the years ended December 31, 2020 and 2019.

Note 6: Refundable Advance

During the year ended December 31, 2020, the Organization received an award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic in the amount of $299,100. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses and nonprofit organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business.

Note 6: Refundable Advance (Continued)

The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The Organization has determined the award is a conditional grant and conditions were not met as of December 31, 2020, therefore the amount of the loan is recognized in the statements of net position as a refundable advance in the amount of $299,100 as of December 31, 2020. The Organization did satisfy the conditions, requested complete forgiveness of the PPP Loan and received approval subsequent to the 2020 fiscal year end.

Note 7: Net Assets

At December 31, 2020 and 2019, there were no Board designated funds of net assets without donor restrictions to be used to cover future fiscal year's operating budget deficit.

The Organization has received multiple grants with primary purpose restrictions to expend funds on clean energy. Net assets with donor restrictions were $984,167 and $1,003,750 at December 31, 2020 and 2019, respectively. Net assets were released from donor restrictions as the stipulated purposes for which the resources were restricted were met in the amounts of $1,761,383 and $2,036,848 for the years ended December 31, 2020 and 2019, respectively.

Note 8: Operating Leases

During the year ended December 31, 2008, the Organization entered into an operating lease for office space located in Hartford, Connecticut under the terms of a non-cancelable lease. The original term of this lease agreement was three years, with an additional three-year renewal option available thereafter, which was exercised in 2011. The lease terms were amended to extend until March 31, 2024. The lease calls for monthly rent payments ranging from $1,722 to $1,880 per month during the term of the lease.

During the year ended December 31, 2013, the Organization entered into an operating lease in Providence, Rhode Island under the terms of a non-cancelable lease. The original term of this lease was three years. In 2016, the lease terms were amended to extend until January 2020. The lease called for monthly rent payments of $763. After January 2020, the lease was extended again and the monthly rent payments increased to $799 until January 2022.

During the year ended December 31, 2014, the Organization entered into an operating lease for office space located in Boston, Massachusetts under the terms of a non-cancelable lease. The original term of this lease was five years and four months. The lease called for monthly rent payments ranging from $5,608 to $6,278 per month during the term of the lease. The lease ended April 2020 and was not renewed.

Note 8: Operating Leases (Continued)

In addition, the Organization leases office space in Rockport, Maine and storage units in Stoughton, Massachusetts, on a month to month basis. Rent expense is $500 and $474 a month, respectively.

During the years ended December 31, 2020 and 2019, the Organization incurred base rent and other rental costs in relation to these leases amounting to $74,266 and $121,746, respectively, which are included in occupancy expense on the statements of functional expenses.

Estimated future minimum payments under these leases are, as follows, for the years ending December 31:

2021	$	31,082
2022		22,768
2023		22,444
2024		5,641
	$	81,935

Note 9: Defined Contribution Plan

The Organization has a 401(k) plan through which eligible employees may make pre-tax elective deferrals up to limits set by law. The plan provides for an employer match of 100% of employee contributions up to a deferral of 6% of pay, as well as non-elective employer contributions which may be made at the discretion of the Organization. Total expenses relating to pension plan contributions for the years ended December 31, 2020 and 2019, amounted to $65,371 and $69,006, respectively.

Note 10: Risk and Uncertainties

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 Virus Crisis ("CV19 Crisis"). As of the date of issuance of the financial statements, the Organization had not yet suffered any material adverse impact from the CV19 Crisis. Management believes the Organization is taking appropriate actions to mitigate the negative impact. One action taken that has contributed to mitigating the financial impact is obtaining a Small Business Administration Paycheck Protection Program loan in the amount of $299,100. The Organization did request complete forgiveness of the PPP Loan and was approved subsequent to the 2020 fiscal year end. The future impact of COVID-19 is unknown and cannot be reasonably estimated at this time.

Note 11: Subsequent Events

Management has made an evaluation of subsequent events to and including June 28, 2021, which was the date the financial statements were available to be issued and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.