

WASHINGTON ENVIRONMENTAL COUNCIL

Financial Statements
December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Washington Environmental Council
Seattle, Washington

We have audited the accompanying financial statements of Washington Environmental Council (a nonprofit organization), which comprise the statement of financial position as of December 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.

Opinion

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

Prior Period Financial Statements

The financial statements of Washington Environmental Council as of December 31, 2019, were audited by other auditors whose report dated January 15, 2021, expressed an unmodified opinion on those statements.

Greenwood Ohlund

Seattle, Washington
September 23, 2021

WASHINGTON ENVIRONMENTAL COUNCIL

STATEMENTS OF FINANCIAL POSITION

December 31, 2020 and 2019

ASSETS	2020	2019
Current Assets		
Cash and cash equivalents	\$ 1,452,522	\$ 796,219
Investments	984,109	934,711
Contributions and grants receivable	201,160	114,252
Due from Washington Conservation Voters	127,327	-
Prepaid expenses and other assets	-	7,656
Total current assets	2,765,118	1,852,838
Investments Held for Board-Designated Endowments	4,890,116	4,463,606
Rent Deposit	29,435	29,435
Property and Equipment, net	69,850	44,624
Total assets	<u>\$ 7,754,519</u>	<u>\$ 6,390,503</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 187,592	\$ 136,932
Due to Washington Conservation Voters	85,282	41,443
Accrued wages and benefits	61,040	48,763
Total current liabilities	333,914	227,138
Deferred Rent	114,880	116,245
Total liabilities	448,794	343,383
Net Assets		
Without donor restrictions		
Undesignated	1,456,557	1,583,514
Board-Designated endowment funds	4,890,116	4,463,606
Total net assets without donor restrictions	6,346,673	6,047,120
With donor restrictions	959,052	-
Total net assets	<u>7,305,725</u>	<u>6,047,120</u>
Total liabilities and net assets	<u>\$ 7,754,519</u>	<u>\$ 6,390,503</u>

See accompanying notes to financial statements.

WASHINGTON ENVIRONMENTAL COUNCIL

STATEMENTS OF ACTIVITIES For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Contributions and grants	\$ 2,439,194	\$ 1,476,345	\$ 3,915,539	\$ 1,257,949	\$ 1,817,880	\$ 3,075,829
Special events revenue	274,676	-	274,676	370,580	-	370,580
Special events - direct benefit to donors	(4,660)	-	(4,660)	(90,735)	-	(90,735)
Donated professional services	174,045	-	174,045	144,243	-	144,243
Investment return	522,638	-	522,638	679,562	-	679,562
Other income	14,991	-	14,991	-	-	-
Net assets released from restrictions	517,293	(517,293)	-	1,908,670	(1,908,670)	-
Total public support and revenue	3,938,177	959,052	4,897,229	4,270,269	(90,790)	4,179,479
Expenses						
Program services	3,023,741	-	3,023,741	3,110,919	-	3,110,919
Management and general	207,435	-	207,435	179,492	-	179,492
Fundraising	407,448	-	407,448	411,827	-	411,827
Total expenses	3,638,624	-	3,638,624	3,702,238	-	3,702,238
Change in net assets	299,553	959,052	1,258,605	568,031	(90,790)	477,241
Net Assets, beginning of year	6,047,120	-	6,047,120	5,479,089	90,790	5,569,879
Net Assets, end of year	<u>\$ 6,346,673</u>	<u>\$ 959,052</u>	<u>\$ 7,305,725</u>	<u>\$ 6,047,120</u>	<u>\$ -</u>	<u>\$ 6,047,120</u>

See accompanying notes to financial statements.

WASHINGTON ENVIRONMENTAL COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2020

	Program Services						Supporting Services		
	Evergreen Forests	Voter Education	Climate and Clean Energy	Puget Sound	Oil Transportation	Total	Management and General	Fundraising	Total
Salaries and wages	\$ 324,489	\$ 225,853	\$ 246,312	\$ 377,090	\$ 233,000	\$ 1,406,744	\$ 116,360	\$ 272,017	\$ 1,795,121
Employee benefits	48,162	28,919	32,576	44,736	31,150	185,543	12,807	29,905	228,255
Payroll taxes	29,129	16,647	19,818	31,091	18,322	115,007	9,467	19,546	144,020
Total salaries and related	401,780	271,419	298,706	452,917	282,472	1,707,294	138,634	321,468	2,167,396
Professional fees	197,248	16,351	186,228	66,582	268,692	735,101	41,305	9,863	786,269
Occupancy	51,561	29,463	36,829	51,561	31,919	201,333	14,732	29,463	245,528
Donated professional fees	-	-	88,125	-	85,920	174,045	-	-	174,045
Equipment and software	13,398	8,812	44,769	14,730	7,423	89,132	3,268	6,821	99,221
Printing and publishing	5,490	3,149	4,478	6,559	3,698	23,374	1,813	8,478	33,665
Communications	5,446	4,043	3,327	6,476	2,967	22,259	1,616	3,668	27,543
Depreciation	4,302	2,099	3,904	3,569	2,750	16,624	1,022	2,337	19,983
Membership dues and fees	969	683	773	1,410	585	4,420	1,683	12,403	18,506
Postage and delivery	1,669	966	1,278	3,851	1,076	8,840	276	7,979	17,095
Meetings and conferences	1,837	1,718	2,188	4,082	1,834	11,659	757	2,155	14,571
Miscellaneous	2,126	1,256	1,617	2,579	-	7,578	662	1,411	9,651
Office supplies	537	326	483	6,730	616	8,692	517	388	9,597
Travel	1,031	2,226	1,563	798	849	6,467	903	180	7,550
Event catering and venue	1,650	-	-	266	-	1,916	-	4,660	6,576
Insurance	849	475	637	862	526	3,349	245	715	4,309
Training	722	107	275	409	145	1,658	2	119	1,779
Total expenses	690,615	343,093	675,180	623,381	691,472	3,023,741	207,435	412,108	3,643,284
Less: Special events - direct benefit to donors	-	-	-	-	-	-	-	(4,660)	(4,660)
	<u>\$ 690,615</u>	<u>\$ 343,093</u>	<u>\$ 675,180</u>	<u>\$ 623,381</u>	<u>\$ 691,472</u>	<u>\$ 3,023,741</u>	<u>\$ 207,435</u>	<u>\$ 407,448</u>	<u>\$ 3,638,624</u>

See accompanying notes to financial statements.

WASHINGTON ENVIRONMENTAL COUNCIL

STATEMENT OF FUNCTIONAL EXPENSES For the Year Ended December 31, 2019

	Program Services						Supporting Services		
	Evergreen Forests	Voter Education	Climate and Clean Energy	Puget Sound	Oil Transportation	Total	Management and General	Fundraising	Total
Salaries and wages	\$ 366,247	\$ 231,138	\$ 273,162	\$ 375,656	\$ 227,538	\$ 1,473,741	\$ 117,013	\$ 262,969	\$ 1,853,723
Employee benefits	46,426	29,008	38,006	48,947	31,082	193,469	12,530	27,492	233,491
Payroll taxes	31,894	17,823	20,657	31,441	18,717	120,532	10,520	19,562	150,614
Total salaries and related	444,567	277,969	331,825	456,044	277,337	1,787,742	140,063	310,023	2,237,828
Professional fees	186,801	31,724	245,822	55,040	142,081	661,468	12,611	17,198	691,277
Occupancy	77,862	23,542	32,602	36,527	24,834	195,367	11,963	25,868	233,198
Donated professional fees	-	-	86,557	-	57,686	144,243	-	-	144,243
Equipment and software	15,702	11,327	47,049	18,885	17,331	110,294	4,874	12,446	127,614
Event catering and venue	-	-	-	-	-	-	-	90,735	90,735
Meetings and conferences	27,385	5,048	4,582	21,447	2,313	60,775	1,258	2,429	64,462
Printing and publishing	5,945	3,538	4,766	11,812	3,855	29,916	1,523	12,797	44,236
Travel	16,286	4,211	3,440	6,993	3,825	34,755	677	1,351	36,783
Communications	6,612	4,512	4,321	7,251	3,266	25,962	765	3,974	30,701
Membership dues and fees	2,310	465	1,817	1,302	1,199	7,093	2,025	12,887	22,005
Depreciation	3,802	1,855	3,450	3,154	2,431	14,692	903	2,064	17,659
Office supplies	2,398	2,430	2,592	3,136	2,178	12,734	564	1,719	15,017
Postage and delivery	1,442	917	1,282	1,959	1,049	6,649	326	6,286	13,261
Training	1,695	1,122	2,254	3,037	1,664	9,772	958	1,173	11,903
Miscellaneous	1,577	870	1,236	1,548	849	6,080	653	1,073	7,806
Insurance	763	491	684	922	517	3,377	329	539	4,245
Total expenses	795,147	370,021	774,279	629,057	542,415	3,110,919	179,492	502,562	3,792,973
Less: Special events - direct benefit to donors	-	-	-	-	-	-	-	(90,735)	(90,735)
	<u>\$ 795,147</u>	<u>\$ 370,021</u>	<u>\$ 774,279</u>	<u>\$ 629,057</u>	<u>\$ 542,415</u>	<u>\$ 3,110,919</u>	<u>\$ 179,492</u>	<u>\$ 411,827</u>	<u>\$ 3,702,238</u>

See accompanying notes to financial statements.

WASHINGTON ENVIRONMENTAL COUNCIL

STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 1,258,605	\$ 477,241
Adjustments to reconcile change in net assets to net cash flows for operating activities:		
Depreciation	19,983	17,659
Realized and unrealized gain on investments	(481,269)	(545,200)
Changes in operating assets and liabilities:		
Contributions and grants receivable	(86,908)	31,652
Due from Washington Conservation Voters	(127,327)	-
Prepaid expenses and other assets	7,656	7,824
Security deposit	-	(6,004)
Accounts payable	50,660	(106,775)
Due to Washington Conservation Voters	43,839	42,708
Accrued wages and benefits	12,277	4,948
Deferred rent	(1,365)	40,947
Net cash flows from operating activities	696,151	(35,000)
Cash Flows from Investing Activities		
Purchases of furniture and equipment	(45,209)	(47,235)
Purchases of investments	(600,427)	(585,536)
Sales of investments	605,788	252,904
Net cash flows from investing activities	(39,848)	(379,867)
Net change in cash and cash equivalents	656,303	(414,867)
Cash and Cash Equivalents, beginning of the year	796,219	1,211,086
Cash and Cash Equivalents, end of the year	<u>\$ 1,452,522</u>	<u>\$ 796,219</u>

See accompanying notes to financial statements.

WASHINGTON ENVIRONMENTAL COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Washington Environmental Council (WEC) is a nonprofit corporation founded in January 1968 to increase public understanding and awareness of the impact of modern society on the environment; encourage the protection and restoration of our natural and historical heritage; to encourage comprehensive land use planning; protect the public interest in public lands and resources including air, land, and water.

WEC uses policy analysis, public education and outreach, legal action and legislative advocacy to advance environmental protection in Washington State. WEC focuses on the following efforts:

Climate and Clean Energy: The Climate and Clean Energy program works to advance state policy to reduce greenhouse gas emissions by setting scientifically based, effective, and equitable limits, pricing climate pollution, and implementing other carbon reducing policies.

Fossil Fuel: The goal of the Fossil Fuel program is to stop new fossil fuel infrastructure from being built, strengthen oil spill prevention and protections, and over time to transition away from fossil fuels.

Civic Engagement and Government Affairs: The goal of the Civic Engagement and Government Affairs program seeks to increase civic participation through grassroots organizing, increased voting access, and engagement with state and local decision-makers. We invest in research and experimentation to learn how to engage more people in the voting process and our work more broadly. We also engage directly with elected officials, providing resources and guidance for both newly elected and seasoned lawmakers to be more effective environmental champions.

Evergreen Forests: The Evergreen Forests program works to ensure Washington has a strong regulatory and policy framework that guides the responsible management of state and private forests. Through the Growing Our Future campaign, WEC is working to improve the management of Washington's private forests by providing landowners with financial incentives for approaches that better protect clean water, habitat, and mitigate climate pollution. This program is an exciting intersection of WEC's climate campaign, clean water work, and long-time commitment to forest protection.

People for Puget Sound: The Puget Sound program protects and restores clean water and healthy habitat for people and wildlife throughout the region. We push for stronger protections at all levels of government using a variety of tools, from regulatory to incentives.

WASHINGTON ENVIRONMENTAL COUNCIL

NOTES TO FINANCIAL STATEMENTS

Affiliate Relationship

WEC has entered into an agreement with Washington Conservation Voters (WCV, a tax-exempt 501(c)(4) corporation) to share management, personnel, office space, supplies, utilities, and other resources. Under the terms of the agreement, both organizations charge each other for costs incurred under the agreement. At December 31, 2020 WEC had a receivable of \$127,327 from WCV. At December 31, 2020 and 2019, WEC had a payable to WCV of \$85,282 and \$41,443, respectively.

Although there are transactions between WEC and WCV, all financial activity is presented independent from one another. In addition, while WEC and WCV share board members, their boards are not substantially the same. Accordingly, the entities are not consolidated.

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. Actual results could differ from the estimated amounts.

Financial Statement Presentation

WEC is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

The board has designated certain net assets without donor restrictions (held in investments) to be held for endowment purposes (see Note 4).

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of unexpended grants restricted for particular purposes or time periods. If WEC receives contribution with a donor restriction and it meets the restriction in the same year the contribution is received, then it records the contribution as being without donor restrictions. Net assets with donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted purpose or as time restrictions expire. Net assets with donor restrictions consist of the following at December 31, 2020:

Climate and clean energy	\$	546,042
Puget sound		240,458
Evergreen forests		112,552
Diversity, equity, and inclusion capacity building		55,000
Voter education		5,000
		<hr/>
	\$	959,052
		<hr/>

There were no net assets with donor restrictions at December 31, 2019.

WASHINGTON ENVIRONMENTAL COUNCIL

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

Cash includes cash in bank accounts and money market funds (other than cash and cash equivalents classified with investments) with original maturity dates of three months or less. Occasionally, cash and cash equivalents may exceed federally insured limits. WEC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

Investments

Investments in marketable debt and equity securities are recorded at fair value. The fair value measurement of the investments was determined using Level 1 observable market inputs within the fair value hierarchy, consisting of quoted prices in active markets (such as national exchanges) for identical assets. WEC classifies investments held in board-designated endowments (see also Note 4) as long-term assets.

Investment return is reported on the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

Investments consist of the following at December 31:

	2020	2019
Cash and cash equivalents	\$ 121,505	\$ 69,921
Mutual funds	2,260,966	2,167,407
Corporate bonds	1,867,907	1,056,099
Domestic common stocks	1,623,847	2,104,890
	<u>\$ 5,874,225</u>	<u>\$ 5,398,317</u>

WASHINGTON ENVIRONMENTAL COUNCIL

NOTES TO FINANCIAL STATEMENTS

Investments are presented in the statements of financial position as follows at December 31:

	2020	2019
Investments	\$ 984,109	\$ 934,711
Investments held for board-designated endowments	4,890,116	4,463,606
	<u>\$ 5,874,225</u>	<u>\$ 5,398,317</u>

Contributions and Grants Receivable

Contributions and grants receivable are primarily from individuals, foundations and businesses. Contributions and grants receivable are expected to be collected within one year and are recorded at the net realizable value. Management periodically reviews receivables and establishes an allowance for accounts that may not be collectible. Any amounts written off are charged against the allowance. Management has determined that no allowance was necessary at December 31, 2020 or 2019.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at the estimated fair value at the date of donation. Depreciation is calculated using the straight-line method over three to five years, the estimated useful lives of the assets. WEC capitalizes property and equipment acquisitions with a cost over \$2,000 and an estimated useful life of more than one year.

Property and equipment consist of the following at December 31:

	2020	2019
Office equipment	\$ 185,248	\$ 140,039
Accumulated depreciation	(115,398)	(95,415)
	<u>\$ 69,850</u>	<u>\$ 44,624</u>

Contribution and Grant Revenue

Contributions and grants (including those received through special events) are recorded when unconditionally pledged as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Conditional promises to give, that is, those with a measurable performance or barrier and a right of return, are not recognized until the conditions on which they depend have been met.

Conditional promises to give – that is, those with measurable performance or barrier and a right of return – are not recognized until the conditions on which they depend have been met. At December 31, 2020, WEC has conditional awards outstanding of \$100,000 from a donor for the purpose of climate justice and climate change policies benefitting communities of color and low-income communities in 2021 and \$300,000 from a donor for the purpose of general support to be paid in \$100,000 installments in 2021 through 2023.

WASHINGTON ENVIRONMENTAL COUNCIL

NOTES TO FINANCIAL STATEMENTS

During the year ended December 31, 2020, WEC received a Paycheck Protection Program loan from the Small Business Administration of \$409,280. This loan included forgivable conditions which were met during the year ended December 31, 2020 and, therefore, the loan amount was recognized to contribution and grant revenue.

Donated Professional Services

Donated professional services are recognized in the financial statements at the estimated fair value of the services received. These services are recognized if the services received require specialized skills that are provided by individuals possessing those skills and would need to be purchased if not provided by donation. These services amounted to \$174,045 and \$144,243 in 2020 and 2019, respectively, and represent time expended by volunteer attorneys and paralegals in connection with programmatic services.

Functional Allocation of Expenses

Certain categories of expenses are attributable to more than one program or supporting function and are allocated based on a formula that is consistently applied throughout the year. The expenses that are allocated thus are compensation and benefits, professional fees, equipment and software, and other, which are allocated on estimates of time and effort; and occupancy, which is allocated based on percentages of use of space.

Income Taxes

WEC is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain prior-year balances have been reclassified to conform to the current-year presentation.

Subsequent Events

WEC has evaluated subsequent events through the date these financial statements were available to be issued, which was September 23, 2021.

WASHINGTON ENVIRONMENTAL COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 2 – Liquidity and Availability of Resources

The following table reflects WEC's financial assets as of December 31, 2020 and 2019 available to meet general expenditures within one year of the statement of financial position date. Available financial assets include net assets with donor restrictions as restrictions are for regular and ongoing programs of WEC. Available financial assets exclude investments held for board-designated endowments because of the long-term intent of the funds. In the event the need arises to utilize the board-designated funds for liquidity purposes, funds could be drawn upon through board resolution.

In addition to financial assets available to meet general expenditures over the next 12 months, WEC operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

	2020	2019
Cash and cash equivalents	\$ 1,452,522	\$ 796,219
Investments	984,109	934,711
Contributions and grants receivable	201,160	114,252
Due from Washington Conservation Voters	127,327	-
	<u>\$ 2,765,118</u>	<u>\$ 1,845,182</u>

Note 3 – Lease Obligation

WEC leases office space under a noncancellable shared operating lease with WCV expiring in August 2026. Rental payments include escalations. WEC has recorded a deferred rent liability to reflect the difference between scheduled rent payments and straight-line rent expense. WEC's rent expense (including straight-line adjustments) under this lease was \$245,528 and \$233,198 in 2020 and 2019, respectively.

WEC's future minimum payments under this lease are as follows for the years ending December 31:

2021	\$ 232,969
2022	238,671
2023	244,377
2024	250,085
2025	255,787
Thereafter	<u>173,059</u>
	<u>\$ 1,394,948</u>

WASHINGTON ENVIRONMENTAL COUNCIL

NOTES TO FINANCIAL STATEMENTS

Note 4 – Board-Designated Endowment Funds

WEC's endowment includes funds designated by the Board of Directors to function as endowments (quasi-endowments). As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Vim Wright Fund (VWF) is intended to protect and nurture Washington's environmental health through communication among stakeholders, research, internships, and recognition of outstanding environmental accomplishment with the "VIM Award." The governing document states that the balance shall be at least \$35,000 at all times, that no more than 10% of the fund's total balance may be appropriated in a given year, and that VIM Awards are to be made by the board of WEC based on the recommendations of the VIM Advisory Committee. The assets are invested with the goal of preserving the fund's minimum funding requirements.

The Board Restricted Fund (BRF) is a general endowment established to provide funding to further WEC's objectives. The governing document establishes an Investment Committee to monitor the fund's investment activity. The investment policy is focused on preservation of capital and risk aversion. The Investment Committee has set an annual spending limit of 5% of the fund's portfolio value, although actual appropriations are based on the committee's discretion.

Changes in the endowment funds are as follows for the years ending December 31, 2020 and 2019:

	VWF	BRF	Total
Balance, December 31, 2018	\$ 48,439	\$ 3,900,447	\$ 3,948,886
Investment return	11,988	602,732	614,720
Appropriations for expenditure	-	(100,000)	(100,000)
Balance, December 31, 2019	60,427	4,403,179	4,463,606
Additions	-	470,268	470,268
Investment return	11,042	470,200	481,242
Appropriations for expenditure	-	(525,000)	(525,000)
Balance, December 31, 2020	\$ 71,469	\$ 4,818,647	\$ 4,890,116

Note 5 – Retirement Plan

WEC has established a qualified defined-contribution 401(k) plan and trust covering all eligible employees. WEC matches employees' voluntary contributions up to 3% of gross salary. WEC may also make additional contributions at its discretion.

Employer discretionary and matching contributions are immediately vested. WEC's contributions to the plan totaled \$47,094 and \$44,135 in 2020 and 2019, respectively.