Rare and Affiliates

Consolidated Financial Report
September 30, 2021

Contents

RSM

Independent Auditor's Report

RSM US LLP

Board of Trustees
Rare

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Rare and Affiliates (Rare), which comprise the consolidated balance sheets as of September 30, 2021 and 2020, the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to consolidated financial statements (collectively, 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 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 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 Rare and Affiliates as of September 30, 2021 and 2020, and the change 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.

RSM US LLP

McLean, Virginia
May 19, 2022

Rare and Affiliates

Consolidated Balance Sheets
September 30, 2021 and 2020

	2021	2020
Assets		
Operating assets:		
Cash and cash equivalents	**$ 16,381,550**	$ 12,003,349
Grants and contributions receivable, net	**19,176,808**	13,322,597
Prepaid expenses and other assets	**368,554**	484,891
Program related investment loan	**382,907**	527,305
Investments	**9,343,811**	9,249,635
Assets held for deferred compensation	**1,433,558**	1,312,504
Property and equipment, net	**48,178**	98,896
Total operating assets	**47,135,366**	36,999,177
Portfolio assets—Meloy Fund I L.P. (Notes 1 and 3):		
Cash and cash equivalents	**3,754,345**	5,010,823
Capital call receivable	**955,500**	-
Other assets	**194,211**	158,571
Investment in privately held securities, at fair value (cost $9,036,655 and $3,895,016, respectively)	**8,509,439**	2,762,016
Total portfolio assets	**13,413,495**	7,931,410
Total assets	**$ 60,548,861**	$ 44,930,587
Liabilities and Net Assets		
Operating liabilities:		
Accounts payable and accrued expenses	**$ 3,162,347**	$ 1,226,792
SBA loan payable	**1,673,982**	1,673,982
Refundable advances	**4,329,705**	5,388,192
Deferred rent	**978,352**	1,130,251
Deferred compensation liabilities	**1,433,558**	1,312,504
Total operating liabilities	**11,577,944**	10,731,721
Portfolio liabilities—Meloy Fund I L.P. (Notes 1 and 3):		
Accounts payable and accrued expenses	**292,615**	130,406
Capital paid in advance	**2,946,750**	4,566,750
Line of credit	**1,000,000**	200,000
Total portfolio liabilities	**4,239,365**	4,897,156
Total liabilities	**15,817,309**	15,628,877
Commitments and contingencies (Notes 9, 10 and 13)		
Net assets:		
Without donor restrictions:		
Undesignated	**3,743,257**	896,359
Designated by the Board	**9,415,545**	9,463,983
Total Rare net assets without donor restrictions	**13,158,802**	10,360,342
Noncontrolling interest in Meloy Fund I L.P. (Note 3)	**9,136,785**	2,930,295
Total net assets without donor restrictions	**22,295,587**	13,290,637
With donor restrictions	**22,435,965**	16,011,073
Total net assets	**44,731,552**	29,301,710
Total liabilities and net assets	**$ 60,548,861**	$ 44,930,587

See notes to consolidated financial statements.

Rare and Affiliates

Consolidated Statements of Activities
Years Ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restriction	With Donor Restrictions	Total
Operating support and revenue:						
Grants and contributions	**$ 3,441,149**	**$ 31,171,604**	**$ 34,612,753**	$ 1,917,754	$ 19,149,808	$ 21,067,562
PPP loan forgiveness	**1,688,291**	**-**	**1,688,291**	-	-	-
Program service revenue	**918,826**	**-**	**918,826**	1,051,660	-	1,051,660
Contributed services and materials	**158,889**	**-**	**158,889**	64,043	-	64,043
Other income	**79,698**	**-**	**79,698**	18,000	-	18,000
Net assets released from purpose restrictions	**17,366,712**	**(17,366,712)**	**-**	17,831,401	(17,831,401)	-
Net assets released from time restrictions	**7,380,000**	**(7,380,000)**	**-**	3,968,334	(3,968,334)	-
Total operating support and revenue	**31,033,565**	**6,424,892**	**37,458,457**	24,851,192	(2,649,927)	22,201,265
Operating expenses:						
Sustainable Fisheries	**12,486,213**	**-**	**12,486,213**	10,911,521	-	10,911,521
Climate Change	**4,758,517**	**-**	**4,758,517**	3,598,879	-	3,598,879
Conservation Finance	**3,314,814**	**-**	**3,314,814**	3,326,248	-	3,326,248
Center for Behavior and Environment	**3,458,171**	**-**	**3,458,171**	3,026,536	-	3,026,536
Administrative	**2,711,249**	**-**	**2,711,249**	2,363,135	-	2,363,135
Fundraising	**2,296,290**	**-**	**2,296,290**	2,066,921	-	2,066,921
Total operating expenses	**29,025,254**	**-**	**29,025,254**	25,293,240	-	25,293,240
Other income:						
Rental income	**208,347**	**-**	**208,347**	169,602	-	169,602
Investment (loss) income	**(8,838)**	**-**	**(8,838)**	287,756	-	287,756
	199,509	**-**	**199,509**	457,358	-	457,358
Changes in net assets before noncontrolling interest	**2,207,820**	**6,424,892**	**8,632,712**	15,310	(2,649,927)	(2,634,617)
Meloy Fund I L.P. :						
Portfolio interest	**224,340**	**-**	**224,340**	287,239	-	287,239
Change in (loss) unrealized gain on privately held securities	**605,790**	**-**	**605,790**	(1,133,007)	-	(1,133,007)
	830,130	**-**	**830,130**	(845,768)	-	(845,768)
Changes in net assets before contributions by limited partners	**3,037,950**	**6,424,892**	**9,462,842**	(830,458)	(2,649,927)	(3,480,385)
Contributions by limited partners	**5,967,000**	**-**	**5,967,000**	2,143,700	-	2,143,700
Change in net assets	**9,004,950**	**6,424,892**	**15,429,842**	1,313,242	(2,649,927)	(1,336,685)
Net assets:						
Beginning	**13,290,637**	**16,011,073**	**29,301,710**	11,977,395	18,661,000	30,638,395
Ending	**$ 22,295,587**	**$ 22,435,965**	**$ 44,731,552**	$ 13,290,637	$ 16,011,073	$ 29,301,710

See notes to consolidated financial statements.

Rare and Affiliates

Consolidated Statement of Functional Expenses
Year Ended September 30, 2021

	Program Services					Supporting Services		
	Sustainable Fisheries	Climate Change	Conservation Finance	Center for Behavior and the Environment	Total Program Services	Administrative	Fundraising	Total
Salaries and benefits	$ 7,244,045	$ 2,488,341	$ 1,181,245	$ 2,448,632	$ 13,362,263	$ 2,086,196	$ 1,993,590	$ 17,442,049
Consulting and professional fees	2,274,390	1,957,512	1,922,114	631,231	6,785,247	308,352	136,776	7,230,375
Travel and meetings	1,425,754	40,185	8,456	34,405	1,508,800	9,477	9,204	1,527,481
Subgrants and awards	353,977	8,350	-	32,500	394,827	-	-	394,827
Occupancy costs	643,913	167,192	85,983	270,563	1,167,651	165,607	127,973	1,461,231
Supplies	217,051	49,668	10,340	3,380	280,439	4,600	1,010	286,049
Professional development	11,157	2,855	2,540	7,382	23,934	16,737	2,949	43,620
Equipment and materials	165,951	13,673	2,887	18,855	201,366	19,407	9,504	230,277
Communications	68,518	7,719	1,818	3,582	81,637	37,597	5,627	124,861
Depreciation and amortization	20,338	7,340	3,135	4,511	35,324	11,018	4,376	50,718
Postage and printing	44,581	8,660	46	761	54,048	8,570	3,210	65,828
Bank and other fees	6,486	6,245	43,005	2,369	58,105	9,981	2,071	70,157
Insurance	10,052	777	53,245	-	64,074	33,707	-	97,781
Total	$ 12,486,213	$ 4,758,517	$ 3,314,814	$ 3,458,171	$ 24,017,715	$ 2,711,249	$ 2,296,290	$ 29,025,254

See notes to consolidated financial statements.

Rare and Affiliates

Consolidated Statement of Functional Expenses
Year Ended September 30, 2020

	Program Services					Supporting Services		
	Sustainable Fisheries	Climate Change	Conservation Finance	Center for Behavior and the Environment	Program Services	Administrative	Fundraising	Total
Salaries and benefits	$ 6,206,858	$ 2,010,053	$ 2,197,597	$ 2,147,454	$ 12,561,962	$ 1,624,746	$ 1,700,648	$ 15,887,356
Consulting and professional fees	1,811,163	1,263,811	580,686	377,885	4,033,545	256,373	154,703	4,444,621
Travel and meetings	1,155,571	106,994	121,528	150,529	1,534,622	58,340	35,492	1,628,454
Subgrants and awards	658,445	15,606	87,160	49,612	810,823	-	-	810,823
Occupancy costs	653,803	161,600	248,511	257,154	1,321,068	59,730	152,038	1,532,836
Supplies	178,535	427	918	2,651	182,531	16,595	2,043	201,169
Professional development	21,986	9,426	9,426	9,576	50,414	18,874	7,789	77,077
Equipment and materials	98,286	1,745	7,225	4,486	111,742	38,228	795	150,765
Communications	62,892	2,049	6,377	3,459	74,777	34,842	6,792	116,411
Depreciation and amortization	26,869	20,567	19,958	19,296	86,690	15,386	4,593	106,669
Postage and printing	19,265	1,398	889	3,549	25,101	10,802	1,369	37,272
Bank and other fees	13,019	5,203	5,840	885	24,947	198,214	659	223,820
Insurance	4,829	-	40,133	-	44,962	31,005	-	75,967
Total	$ 10,911,521	$ 3,598,879	$ 3,326,248	$ 3,026,536	$ 20,863,184	$ 2,363,135	$ 2,066,921	$ 25,293,240

See notes to consolidated financial statements.

Rare and Affiliates

Consolidated Statements of Cash Flows
Years Ended September 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets before contributions by limited partners	$ 9,462,842	$ (3,480,385)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on loan forgiveness	(1,673,982)	-
Depreciation and amortization	50,718	106,669
Bond premium amortization	-	17,171
Increase (decrease) in the allowance for doubtful accounts	41,977	(114,898)
(Decrease) increase in discount on pledges	(28,184)	(122,355)
Net realized and unrealized gains	(68,747)	(78,397)
Change in unrealized loss on privately held securities	(605,790)	1,133,007
Changes in assets and liabilities:		
(Increase) decrease in:		
Grants and contributions receivable, net	(5,854,211)	6,025,461
Prepaid expenses and other assets	116,337	(32,267)
Program related investment loan	144,398	(288,197)
Increase (decrease) in:		
Accounts payable and accrued expenses	1,935,555	(871,902)
Refundable advances	(1,058,487)	594,057
Deferred rent	(151,899)	(124,661)
Deferred compensation liabilities	121,054	(63,751)
Net cash provided by operating activities	2,431,581	2,699,552
Cash flows from investing activities:		
Purchase of investments	(7,660,445)	(4,149,516)
Proceeds from sale of investments	7,513,965	4,123,888
Purchase of investments in privately held securities	(1,620,000)	(2,284,210)
Principal repayments related to privately held securities	(5,448,326)	-
Net cash used in investing activities	(7,214,806)	(2,309,838)
Cash flows from financing activities:		
Proceeds from SBA loan	1,673,982	1,673,982
Changes in operating assets and liabilities for Meloy Fund I L.P.	(925,679)	2,726,030
Principal repayments related to privately held securities	389,645	295,419
Contribution by limited partners	5,967,000	2,143,700
Proceeds from line of credit	800,000	140,000
Net cash provided by financing activities	7,904,948	6,979,131
Net increase in cash and cash equivalents	3,121,723	7,368,845
Cash and cash equivalents:		
Beginning	17,014,172	9,645,327
Ending	$ 20,135,895	$ 17,014,172
Cash and cash equivalents—Operating	$ 16,381,550	$ 12,003,349
Cash and cash equivalents—Portfolio	3,754,345	5,010,823
	$ 20,135,895	$ 17,014,172
Supplemental schedule of noncash financing activities:		
Reduction of SBA loan via forgiveness	$ 1,673,982	$ -

See notes to consolidated financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: Rare is a nonprofit conservation organization that is solution-oriented and focused on inspiring change, so people and nature thrive. Rare is incorporated under the laws of the state of Virginia and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi).

Rare has offices in the USA, Brazil, China, Philippines, Mozambique, Indonesia, Colombia, Germany, Honduras, Myanmar and Mexico.

Rare is the global leader in driving social change to protect the environment. We have helped thousands of people across hundreds of communities in over 60 countries shift their behaviors and practices to protect the nature that sustains their lives, livelihoods and communities.

Rare inspires change so people and nature thrive. Using insights from behavioral and social science and design thinking, Rare empower shifts in individual and community behavior that benefit people and nature and ensure that change lasts. And Rare trains local leaders to lead change, leaving a legacy of increased capacity and a sense of ownership, responsibility and pride in the protection of our shared environment.

Today, Rare is merging decades of experience from the frontlines of conservation, strong global partnerships and expertise in translating behavioral research into action to build the social, ecological and political networks to scale our impact across regions, nations and the world.

Unique Impact, LLC (formerly Rare Ventures, LLC), Meloy Fund I, G.P. and Meloy Fund I, L.P.: Unique Impact, LLC (the Management Company), a Delaware limited liability company, was formed in 2010 as a wholly owned subsidiary of Rare to provide contract services on behalf of Rare.

During 2017, Rare authorized the formation of The Meloy Fund I, L.P., (the Fund), a Delaware limited partnership as an independent partnership entity. The Fund was formed to generate measurable social and environmental outcomes and to provide financial returns for investors by making debt and equity investments in fishing and fisheries-related enterprises that have operations in Indonesia and the Philippines.

The Meloy Fund I G.P., LLC (the General Partner), a Delaware limited liability company, was formed in 2017 as a wholly owned subsidiary of Rare and the general partner of the Fund. Under the management agreement, the General Partner utilizes Rare's expertise in the development, support and management of marine common pool resources and sustainable fisheries to provide management services to the Fund. For the purposes of financial reporting, the General Partner, the Fund and the Management Company are consolidated with Rare.

A summary of Rare's significant accounting policies follows:

Principles of consolidation: All transactions between Rare, the Management Company, the General Partner and the Fund, have been eliminated in consolidation. For the purpose of this report, the entities are collectively referred to as Rare.

Basis of presentation: The consolidated financial statement presentation follows the recommendation of the Not-for Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this ASC, Rare is required to report information regarding its financial position and activities according to the two classes of net assets, net assets without donor restrictions and net assets with donor restrictions.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Net assets: Net assets without donor restrictions may be expended for any purpose in performing the primary objectives of Rare. All contributions are considered to be available for undesignated use, unless specifically designated by the Board of Trustees or given with donor restrictions or internally designated by management.

The Board of Trustees has designated a portion of Rare's net assets to build and maintain an adequate level of liquidity to support Rare's day-to-day operations in the event of unforeseen shortfalls. Earnings from the designated funds are reinvested in the fund. The board designated fund totaled $9,136,785 and $9,463,983 at September 30, 2021 and 2020, respectively.

Net assets with donor restrictions are contributions with donor-imposed time and/or program restrictions. The time and purpose restrictions require that resources be used for specific purposes and/or in a specific period or after a specified date. Net assets with donor restrictions become net assets without donor restrictions when the time restrictions expire or when the funds are used for their restricted purposes, at which time they are reported in the consolidated statements of activities as net assets released from restrictions. There are no net assets that are permanently restricted.

Although the noncontrolling interest in Meloy Fund I L.P. is shown on the consolidated balance sheets as part of net assets without donor restrictions, these funds are designated for the Meloy Fund L.P. and cannot be used for Rare unrestricted expenditures.

Cash and cash equivalents: Rare considers all cash and highly liquid investments with initial maturities of three months or less and which present insignificant risk of change in value to be cash and cash equivalents. As of September 30, 2021 and 2020, this balance included cash and demand bank deposits.

Foreign operations: The accompanying consolidated financial statements include the worldwide operations of Rare and other entities owned and/or controlled by Rare. At September 30, 2021 and 2020, assets held in non-US countries totaled $665,010 and $651,485, respectively.

Financial and credit risk: Rare maintains its cash in bank accounts which, at times, may exceed insured limits. Rare has not experienced any losses in such accounts. Rare believes it is not exposed to any significant financial risk on cash.

Grants, contributions and contributions receivable: Grants and contributions are recognized as revenue and receivables in the year unconditional promises to give are received and increase the appropriate revenue category of net assets. Grants and contributions receivable that will not be collected within one year are discounted at a rate commensurate with the risks involved at the time the gift was pledged, based upon anticipated payment dates. Rare has established an allowance for uncollectible grants and contributions receivable in the amount of $227,649 and $185,672 at September 30, 2021 and 2020, respectively. Conditional promises to give are not reported as revenue until the conditions are substantially met.

Revenue: Revenue is recorded based on the accrual basis of accounting. Revenue from contracts with customers is derived primarily from program service fees.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Rare's contract services that fall within the scope of ASC 606 are included in program service fees on the consolidated statements of activities. Program service fees represent performance obligations where the customer has contracted with Rare to provide a service in exchange for a transaction price. Rare allocates the transaction price to the performance obligations and recognizes the revenue when each performance obligation is met. Current contracts include services to develop programs, manuals, feasibility studies and training materials and have a duration of less than one year.

For the years ended September 30, 2021 and 2020, $918,826 and $1,051,660, respectively, was recognized as program service fees. Revenue is recognized over the period the services are provided in an amount that reflects the consideration Rare is entitled to in exchange for those services. Typically, services are billed monthly based on either a contracted fixed fee schedule or actual expense incurred.

Rare records deferred revenue in situations when amounts are invoiced or received but the performance obligation is not met. Such revenue is recognized when the performance obligation is subsequently met. Rare did not have any deferred revenue related to program services as of September 30, 2021 and 2020.

Rare did not have any impairment or credit losses on any receivables or contract assets arising from contracts with customers. There are also no incremental costs of obtaining a contract and no financing components.

Finally, there are no significant changes in the judgements affecting the determination of the amount and timing of revenue from contracts with customers.

Investments: Investments consist primarily of fixed income securities carried at fair value based on quoted market prices as described in Note 2. To adjust the carrying value of these investments, the change in fair value is recorded as a component of investment income on the consolidated statements of activities.

Allowable investments are stipulated in Rare's investment policy. These investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is possible that changes in risks in the near term would materially affect investment balances and amounts reported in the consolidated financial statements. As of September 30, 2021 and 2020, the net realized and unrealized gain was $93,382 and $78,397, respectively.

Property and equipment: Property and equipment with a unit cost greater than $5,000 is initially recorded at cost and thereafter depreciated on a straight-line basis over the estimated useful lives of the related depreciable assets, generally three to 10 years. The cost of maintenance and repairs is recorded as an expense.

Sub-grants and awards: Rare recognizes expenses for sub-grants and awards at the time the sub-grantee meets the conditions of the grant agreement and submits a request for payment. Conditions of a grant agreement include program milestones and documented expenses.

Refundable advances: Represents cash received on grants and contributions for which some condition was not yet met. Conditions of a grant or contribution may include future funds availability, matching funding or the completion of project tasks and related expenditures.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Deferred rent: Rare's lease agreements include certain rent abatements and an escalation clause. Minimum rent is expensed on a straight-line basis over the term of the lease. Therefore, a deferred rent liability is reflected in the consolidated balance sheets for rent expensed in excess of rent paid under the lease. The deferred amount is amortized equally over the life of the lease as a reduction of rent expense. Rare amortized $151,899, and $124,661 of deferred rent for the years ended September 30, 2021 and 2020, respectively.

Contributed goods and services: Contributions of services are recognized when they are received if the services either: (a) create or enhance non-financial assets, or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not donated.

Contributed noncash goods and services are recognized at fair value per the contracts with Rare partners or as provided by donors.

Use of estimates: The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Foreign currency transactions: The functional currency of Rare is the U.S. dollar. The consolidated financial statements and transactions of Rare's non-US countries operations are maintained in the local currency.

Foreign currency translation: Where local currencies are used, assets and liabilities are translated into U.S. dollars at the consolidated balance sheets dates at the exchange rate in effect at the fiscal year-end. Gains and losses resulting from these translations are recognized on the consolidated statements of activities. Monthly expenses that are incurred by field offices in foreign countries are paid in local currency and then translated into U.S. dollars at the rate of exchange in effect during the month of the transaction. Foreign currency translation loss for the years ended September 30, 2021 and 2020, was a $38,835 gain and $127,941 loss, respectively. Gains and losses from foreign currency translation are included in the bank and other fees in the consolidated statements of functional expenses.

Allocation of functional expenses: The costs of providing programs and other supporting services have been summarized on a functional basis on the consolidated statements of activities. Expenses that relate directly to program or supporting services are allocated to that program or supporting service. Expenses related to subscription, travel and board meetings are allocated based on the activities performed by the staff members within each area. Other expenses that require allocation such as rent, utilities and supplies are allocated based on headcount.

Capital paid in advance: Capital paid in advance are payments received from the Fund investors in advance of a capital call. The Fund, an entity controlled by Rare, recognizes capital paid in advance as a liability when the payment is received. Capital paid in advance funds are held by the Fund until a subsequent capital call event whereby funds held are drawn to meet the investment obligation.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Noncontrolling interest: Rare follows Accounting Standards Update (ASU) 2010-07, which provides guidance related to not-for-profit mergers and acquisitions. In addition, ASU 2010-07 provides accounting guidance on how a not-for-profit parent organization accounts for noncontrolling interests in the equity (net assets) of consolidated subsidiaries. The guidance requires: (i) noncontrolling interest to be reported as a separate component of the appropriate class of net assets in the consolidated balance sheets, and (ii) a not-for-profit (parent) that has one or more consolidated subsidiaries with a noncontrolling interest shall provide a schedule of changes in consolidated net assets attributable to the parent and the noncontrolling interest either in the notes of the consolidated financial statements or on the face of the consolidated financial statements, if practicable. That schedule shall reconcile beginning and ending balances of the parent's controlling interest and the noncontrolling interests for each class of net assets for which a noncontrolling interest exists during the reporting period. This standard also requires that the noncontrolling interests continue to be attributed their share of losses even if that the attribution results in a deficit noncontrolling interest balance.

Tax-exempt status: Rare is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). Rare is subject to unrelated business income taxes under Section 511 of the IRC; however, in the opinion of management, no provision for income taxes is required to be made.

Rare follows the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under this guidance, Rare may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes and accounting in interim periods. As of September 30, 2021, Rare had no cumulative unrelated business taxable loss.

Management evaluated Rare's tax positions and concluded that Rare had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. Generally, Rare is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2018.

The General Partner is a limited liability company, and the Fund is a limited partnership, registered in the state of Delaware. For federal tax filing purposes, the General Partner is considered a disregarded entity. The limited partners of the Fund report their respective portions of the Fund income and expense on their income tax returns.

Reclassification: Certain summarized 2020 amounts have been reclassified to conform to the 2021 presentation. These reclassifications had no effect on previously reported change in net assets or net assets.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Recent accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated balance sheets for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statements of activities. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. Rare is currently evaluating the impact of the pending adoption of the new standard on its consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the consolidated statements of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021. This ASU is effective for Rare beginning on October 1, 2021. Rare is currently evaluating the impact of this new guidance on its consolidated financial statements.

Subsequent events: Rare evaluated subsequent events through May 19, 2022, which is the date the consolidated financial statements were available to be issued.

Note 2. Investments and Fair Value Measurements

Investments at September 30, 2021 and 2020, consist of the following:

	2021	2020
Corporate bonds	$ 3,159,800	$ 4,240,270
Equity	708,371	-
Mutual funds—fixed income	5,475,640	5,009,365
	9,343,811	9,249,635
	$ 9,343,811	$ 9,249,635

Investment income for the years ended September 30, 2021 and 2020, consists of the following:

	2021	2020
Dividends and interest	$ 163,653	$ 513,017
Net realized and unrealized gains	68,747	78,397
Unrealized (loss) gain on privately held securities	605,790	(1,133,007)
Investment fees	(16,898)	(16,419)
	$ 821,292	$ (558,012)

Note 2. Investments and Fair Value Measurements (Continued)

The unrealized loss on privately held securities was recorded by the Fund as a bad debt allowance against outstanding loans for the year ended September 30, 2021. The amount of the allowance is higher than in previous years due to the increased risk attributed to the global pandemic.

The ASC Topic on Fair Value Measurement establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosures about fair value measurements. This enables the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking quality and reliability of the information used to determine fair value.

The provision applies to all assets and liabilities that are being measured and reported on a fair value basis and are disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data

In determining the appropriate levels, Rare performs a detailed analysis of the assets and liabilities that are subject to the Fair Value Measurement Topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3. There were no Level 3 inputs for any assets held by Rare at September 30, 2021 and 2020.

The tables below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy at September 30, 2021 and 2020:

	2021			
Description	Total	Level 1	Level 2	Level 3
Corporate bonds	$ 3,159,800	$ -	$ 3,159,800	$ -
Equity	708,371	708,371	-	-
Mutual funds	5,475,640	5,475,640	-	-
Other investments measured at net asset value (a)	8,509,439	-	-	-
	17,853,250	6,184,011	3,159,800	-
Employee benefit plan:				
Mutual funds	1,433,558	1,433,558	-	-
Total assets	$ 19,286,808	$ 7,617,569	$ 3,159,800	$ -
Deferred compensation liabilities	$ 1,433,558	$ -	$ 1,433,558	$ -
	$ 1,433,558	$ -	$ 1,433,558	$ -

Note 2. Investments and Fair Value Measurements (Continued)

	2020			
Description	Total	Level 1	Level 2	Level 3
Corporate bonds	$ 4,240,270	$ -	$ 4,240,270	$ -
Mutual funds	5,009,365	5,009,365	-	-
Other investments measured at net asset value (a)	2,762,016	-	-	-
	12,011,651	5,009,365	4,240,270	-
Employee benefit plan:				
Mutual funds	1,312,504	1,312,504	-	-
Total assets	$ 13,324,155	$ 6,321,869	$ 4,240,270	$ -
Deferred compensation liabilities	$ 1,312,504	$ -	$ 1,312,504	$ -
	$ 1,312,504	$ -	$ 1,312,504	$ -

(a) In accordance with ASC Topic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

Mutual funds included in Level 1 assets are actively traded and fair values for identical assets are readily obtainable.

Corporate bonds are included in Level 2 assets as they are not actively traded. The fair values are based on quoted prices for similar assets in active markets or quoted prices for identical assets in markets that are not active. Deferred compensation liabilities are also Level 2 as they are based on Level 1 fair values but only indirectly.

Note 3. Meloy Fund I L.P.

Debt investment receivables (investments held for Meloy Fund I L.P.): The Meloy Fund I L.P. makes debt and equity investments designed to catalyze the development and adoption of sustainable fisheries in related enterprises that support the recovery of coastal fisheries. In addition to providing a financial return, these debt investments are designed to have a positive impact on the lives of fishers and their households by placing approximately 1.2 million hectares of coastal habitats under improved fisheries management.

Management reviewed the collectability of the debt investment receivables and recorded an allowance for bad debt of $527,216. Allowance was $1,133,007 for the year ended September 30, 2020. The fair value of the debt investment receivables at September 30, 2021 and 2020, were $8,509,439 and $2,762,016, respectively.

Note 3. Meloy Fund I L.P. (Continued)

Scheduled repayments of debt investment receivables, at cost as of September 30, 2021, are as follows:

Years ending September 30:	
2022	$ 530,190
2023	957,064
2024	918,422
2025	476,509
2026	14,709
2027-2028	6,139,761
	9,036,655
Allowance for bad debt	(527,216)
	$ 8,509,439

Interest income on debt investments is recognized when earned. During the years ended September 30, 2021 and 2020, interest earned on debt investments was $224,341 and $287,239, respectively.

Capital paid in advance—Meloy Fund I L.P.: The Fund received capital contributions in advance in the amount of $5,328,750 as of September 30, 2018. $180,000 was called during 2019, $582,000 during 2020, and $1,620,000 during 2021, leaving a balance of $2,946,750. The capital paid in advance is shown on the consolidated balance sheets as a portfolio liability held by Meloy Fund I L.P.

Contribution by limited partners to Meloy Fund I L.P.: The changes in the noncontrolling partners' interests in the Fund at September 30, 2021 and 2020, are as follows:

	2021	2020
Beginning balance—Noncontrolling limited partners' interest in Meloy Fund I L.P.	$ 2,930,295	$ 2,083,705
Capital contribution by noncontrolling limited partners	5,967,000	2,143,700
Net income attributed to noncontrolling limited partners	239,495	(1,297,110)
Noncontrolling limited partners' interest in Meloy Fund I L.P.	$ 9,136,790	$ 2,930,295

The schedule of changes in consolidated net assets without donor restrictions related to Rare and noncontrolling interest in Meloy Fund I L.P. is as follows:

	Rare	Noncontrolling Interest	Total
Net assets without donor restrictions:			
Balance, September 30, 2019	$ 9,893,690	$ 2,083,705	$ 11,977,395
Change in net assets without donor restrictions	466,652	846,590	1,313,242
Distributions to noncontrolling interest	-	-	-
Balance, September 30, 2020	10,360,342	2,930,295	13,290,637
Change in net assets without donor restrictions	2,798,460	5,966,995	8,765,455
Distributions to noncontrolling interest	-	-	-
Balance, September 30, 2021	$ 13,158,802	$ 8,897,290	$ 22,056,092

Although the noncontrolling interest in Meloy Fund I L.P. is shown on the consolidated balance sheets as part of net assets without donor restrictions, these funds are designated for the Meloy Fund L.P. and cannot be used for Rare unrestricted expenditures.

Note 4. Property and Equipment

Property and equipment, net of accumulated depreciation, at September 30, 2021 and 2020, consists of the following:

	2021	2020
Office furniture and equipment	$ 432,055	$ 761,438
Leasehold improvements	258,515	258,515
Website	413,340	413,340
	1,103,910	1,433,293
Less accumulated depreciation and amortization	(1,055,732)	(1,334,397)
	$ 48,178	$ 98,896

Depreciation expense for the years ended September 30, 2021 and 2020, was $50,718 and $106,669, respectively.

Note 5. Grants and Contributions Receivable

As of September 30, 2021 and 2020, grants and contributions receivable are due as follows:

	2021	2020
Within one year	$ 9,268,833	$ 7,897,797
One to two years	10,246,467	5,749,499
Gross grants and contributions receivable	19,515,300	13,647,296
Less present value discount at 1.3%	(110,843)	(139,027)
Less allowance for doubtful accounts	(227,649)	(185,672)
Net grants and contributions receivable	$ 19,176,808	$ 13,322,597

Conditional grants: In addition to the above balances, Rare received conditional promises to give that have not yet been recognized as of the end of the year. Those promises were $10,226,170 and $9,414,830, as of September 30, 2021 and 2020, respectively. Rare did not receive a cash advance payment from the grantor and the specified conditions of the grant agreement were not yet met. As such, these amounts are not reported in the accompanying consolidated balance sheets or consolidated statements of activities. Conditional pledges are recognized as revenue when the specified conditions of the grant are met such as documented expenses or program deliverables. A refundable advance is recorded when a grantor makes a cash advance payment on a conditional pledge and Rare has not yet met the condition.

Note 6. Payroll Protection Loan

In March 2020, the Coronavirus Aid, Relief and Economic Security Act (CARES) was signed into law to provide emergency assistance and health care response for individuals, families and businesses affected by the 2020 coronavirus pandemic. Under CARES, certain small businesses and organizations are eligible to receive loan funds under Section 7(a) of the Small Business Act. Loans made under this section of CARES, known as the Paycheck Protection Program (PPP), are forgivable to the extent certain requirements are met. The loan program is administered by the Small Business Administration (SBA).

Note 6. Payroll Protection Loan (Continued)

Rare made an analysis of the adverse economic effect the pandemic would likely have on its operations and determined that it was eligible to apply for a PPP loan, submitted the required application and supporting documentation and received PPP loan funds in the amount of $1,673,982 on May 2, 2020. During the year ended September 30, 2020, these funds are considered to be a loan under ASC 470 until Rare receives formal forgiveness notification from SBA. Rare applied for and received loan forgiveness from the SBA on March 18, 2021, and, therefore, Rare recognized the $1,673,982 as grant revenue on the consolidated statements of activities. The loan is subject to audit by the SBA for a period of six years following forgiveness.

On March 16, 2021, Rare applied for the second PPP loan and received $1,673,982. Future principal and interest payments on the loan in accordance with the loan agreement would be $343,376, $343,376, $343,376, $343,376 and $143,049 for the years ending September 30, 2022 through 2026.

Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following at September 30, 2021 and 2020:

	2021	2020
Program restricted:		
Sustainable Fisheries	$ 4,173,675	$ 4,990,438
Center for Behavior and the Environment	362,610	4,018,234
Climate Change	6,875,552	924,016
Innovative Finance	437,624	75,088
Public Education	-	148,000
Time restricted	10,586,504	5,855,297
	$ 22,435,965	$ 16,011,073

During the years ended September 30, 2021 and 2020, net assets with donor restrictions were released from restriction as follows:

	2021	2020
Program restricted:		
Sustainable Fisheries	$ 8,337,238	$ 9,044,653
Climate Change	3,434,115	2,043,240
Innovative Finance	3,063,556	3,265,288
Center for Behavior and the Environment	2,531,803	3,478,220
Time restricted	7,380,000	3,968,334
	$ 24,746,712	$ 21,799,735

Note 8. Board Designated Fund

The primary investment objective of the Board Designated Fund is capital preservation. The Board of Trustees reviews performance of related investments on a quarterly basis. Future Fund growth comes from surplus net assets without donor restrictions and investment earnings from the Fund. All earnings are reinvested in the Fund.

Note 8. Board Designated Fund (Continued)

Under the terms of the governing documents, the Board of Trustees has the ability to distribute so much of the corpus of the Board Designated Fund as the Board of Trustees in its sole discretion shall determine. As a result of the ability to distribute corpus, all Board Designated contributions are classified as net assets without donor restrictions for consolidated financial statement purposes. The Board Designated account contains no contributions that are classified as either temporarily restricted or permanently restricted.

The Board designated fund is net assets without donor restrictions. Changes in the Board designated fund are as follows for the years ended September 30, 2021 and 2020:

	2021	2020
Board designated fund, beginning of year	$ 9,463,983	$ 9,238,944
Investment income	107,534	155,526
Management account fees	(16,898)	(16,419)
Net unrealized/realized gains	(139,074)	85,932
Board designated fund, end of year	$ 9,415,545	$ 9,463,983

Note 9. Line of Credit

The line of credit was renewed in January 2020 and 2021 for $3,000,000 with a variable interest rate equal to London Interbank Offered Rate (LIBOR) plus 1.35%. Investments are used as a collateral for this line of credit. As of September 30, 2021 and 2020, there were no balances due on the line of credit.

Note 10. Lease Commitments

On September 1, 2015, Rare entered into an operating lease agreement for office space in Arlington, Virginia. The lease term commenced on December 1, 2015, and ends on November 30, 2025.

Rare also leases office space at other locations, as well as storage and miscellaneous furnishings and equipment under various non-cancelable operating leases. All lease expenditures are recognized on a straight-line basis ratably over the term of the lease. The difference between the straight-line expense and the required lease payment is reflected as deferred rent and is included in the liabilities in the accompanying consolidated balance sheets.

Future minimum lease payments related to these leases are as follows:

Years ending September 30:	
2022	$ 1,439,373
2023	1,402,262
2024	1,437,319
2025	1,473,252
	$ 5,752,206

Note 10. Lease Commitments (Continued)

During the years ended September 30, 2021 and 2020, rent expense was $1,326,715 and $1,354,701, respectively. The Arlington headquarters office rent charges include standard operating expenses. The decrease in rent expense for 2020 is due to the cancellation of country office leases and a shift to shared workspace options.

Note 11. Employee Benefit Plans

Rare sponsors a defined-contribution retirement plan under Section 401(k) of the IRC for all employees who meet certain service requirements. The plan provides for employee contributions not to exceed annual limits as determined by the Internal Revenue Service (IRS). In 2021 and 2020, Rare contributed 3% of base salary for all eligible employees and matched 4% of each employee's contribution. Employees are vested in the employer contributions after two years of service. Retirement plan expense for the years ended September 30, 2021 and 2020, was $719,168 and $585,350, respectively.

During 2003, Rare established a non-qualified deferred compensation plan, the International Retirement Savings Plan (IRSP), to cover all foreign employees who meet certain service requirements. There are no employee contributions allowed under the IRSP plan. Rare contributes 3% of compensation for all eligible employees and increases its contribution to 7% of compensation after completion of two years of service. New participants to the plan vest over five years. At September 30, 2021 and 2020, the value of the IRSP was $1,012,921 and $910,852, respectively. There is a corresponding deferred compensation liability in the same amount that is included in deferred compensation liabilities on the consolidated balance sheets.

During 2011, Rare established a 457(f), non-qualified compensation plan, for certain key employees. This plan is funded annually based on an amount that is approved by the Board. For the years ended September 30, 2021 and 2020, $0 and $104,976, respectively, was approved and funded. During 2020, one of the participants exited Rare and the accumulated balance was forfeited. As of September 30, 2021 and 2020, the 457(f) liability amounted to $310,247 and $288,752, respectively.

Rare also established a Section 457(b) supplemental employee retirement plan (the Plan). Under the terms of the Plan, eligible employees elect to deposit a percentage of their compensation into the Plan, subject to IRS limits. Employee deposits and accumulations are accounted for as an asset and offsetting liability on Rare's consolidated balance sheets until they are distributed to the participants. The amount of deposits and related accumulations were $110,390 and $112,899 at September 30, 2021 and 2020, respectively. As of September 30, 2021 and 2020, the 457(b) liability amounted to $310,247 and $288,752, respectively.

The assets held for deferred compensation and the deferred compensation liabilities at September 30, 2021 and 2020, are as follows:

	2021	
	Asset	Liability
IRSP Plan	$ 1,012,921	$ 1,012,921
457(b) Plan	110,390	110,390
457(f) Plan	310,247	310,247
	$ 1,433,558	$ 1,433,558

Note 11. Employee Benefit Plans (Continued)

	2020	
	Asset	Liability
IRSP Plan	$ 910,853	$ 910,853
457(b) Plan	112,899	112,899
457(f) Plan	288,752	288,752
	$ 1,312,504	$ 1,312,504

Note 12. Contributed Service and Materials

During the years ended September 30, 2021 and 2020, the value of contributed services and materials $(158,889) and $(64,043), respectively. These contributed services were included in the consulting and contract fee line on the accompanying consolidated statements of functional expense.

Direct cash contributions are distinguished from in-kind donations when funds are paid directly in-country by a third-party on behalf of the project, rather than for the provision of goods and services.

Note 13. Contingency

Rare participates in a number of federally assisted grant programs which are subject to financial and compliance audits by the federal government or its representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

Rare participates in a number of federally assisted grant programs which are subject to financial and compliance audits by the federal government or its representatives. As such, there exists a contingent liability for potential questioned costs that may result from such audits. Management does not anticipate any significant adjustments as a result of such audits.

From time to time, Rare may be subject to various legal proceedings, which are incidental to the ordinary course of business. In the opinion of the management of Rare, there are no material liabilities for Rare for any of these proceedings.

Management has concluded that the continuing COVID-19 outbreak may have a considerable impact Rare in general, but the full potential impact on Rare is not currently measurable. Due to the level of risk this virus may have on the global economy, it is at least reasonably possible that it could have an impact on the operations of Rare in the near term that could materially impact Rare’s financials.

Note 14. Liquidity

As of September 30, 2021 and 2020, the following assets are available to meet annual operating costs for the following fiscal year:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 16,381,550	$ 12,003,349
Grants and contributions receivable, net	19,176,808	13,322,597
Investments	9,343,811	9,249,635
Total financial assets available	44,902,169	34,575,581
Less amounts not available to be used within one year:		
Refundable advances	(4,329,705)	(5,388,192)
Board designated net assets	(9,415,545)	(9,463,983)
Net assets with donor restrictions for specific programs	(11,849,461)	(10,155,776)
Net assets with donor restrictions for time over one year	(288,500)	(288,500)
Financial assets available to meet operating needs within one year	$ 19,018,958	$ 9,279,130

Rare's support includes restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, Rare must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. Rare regularly monitors liquidity required to meet its needs for general expenditures, liabilities and other obligations due. Rare has net assets without donor restrictions that are used as reserves to fund program opportunities that are not currently in the budget and to cover unexpected expenses. Additionally, as described in Note 9, Rare has a $3,000,000 line of credit available to draw on to meet its needs for general expenditures, liabilities and other obligations due.

Independent Auditor's Report on the Supplementary Information

Board of Trustees
Rare

We have audited the consolidated financial statements of Rare and Affiliates as of and for the years ended September 30, 2021 and 2020, and have issued our report thereon, which contains an unmodified opinion on those consolidated financial statements. See pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating and other supplementary information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets and cash flows of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating and other supplementary information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

McLean, Virginia
May 19, 2022

Rare and Affiliates

Consolidating Balance Sheet
September 30, 2021

	Rare	Unique Impact (formally, Rare Ventures, LLC)	Meloy Fund I G.P.	Meloy Fund I L.P.	Elimination	Total
Assets						
Operating assets:						
Cash and cash equivalents	$ 15,835,798	$ 52,802	$ 492,950	$ -	$ -	$ 16,381,550
Grants and contributions receivable, net	19,090,870	-	85,938	-	-	19,176,808
Contracts receivable	13,317	81,075	37,345	-	(131,737)	-
Prepaid expenses and other assets	368,554	-	-	-	-	368,554
Program related investment loan	382,907	-	-	-	-	382,907
Investments	9,343,811	-	-	-	-	9,343,811
Assets held for deferred compensation	1,433,558	-	-	-	-	1,433,558
Property and equipment, net	48,178	-	-	-	-	48,178
Total operating assets	46,516,993	133,877	616,233	-	(131,737)	47,135,366
Portfolio assets—Meloy Fund I L.P.:						
Cash and cash equivalents	-	-	-	3,754,345	-	3,754,345
Capital call receivable	-	-	-	955,500	-	955,500
Other assets	-	-	-	194,211	-	194,211
Debt investment receivables, at fair value	-	-	-	8,509,439	-	8,509,439
Total portfolio assets	-	-	-	13,413,495	-	13,413,495
Total assets	$ 46,516,993	$ 133,877	$ 616,233	$ 13,413,495	$ (131,737)	$ 60,548,861
Liabilities and Net Assets						
Operating liabilities:						
Accounts payable and accrued expenses	$ 3,070,494	$ -	$ 91,853	$ -	$ -	$ 3,162,347
Refundable advances	3,882,685	-	447,020	-	-	4,329,705
Loan payable	1,673,982	-	-	-	-	1,673,982
Related party transactions	81,075	-	13,317	37,345	(131,737)	-
Deferred rent	978,352	-	-	-	-	978,352
Deferred compensation liabilities	1,433,558	-	-	-	-	1,433,558
Total operating liabilities	11,120,146	-	552,190	37,345	(131,737)	11,577,944
Portfolio liabilities—Meloy Fund I L.P.:						
Accounts payable and accrued expenses	-	-	-	292,615	-	292,615
Capital paid in advance	-	-	-	2,946,750	-	2,946,750
Line of credit payable	-	-	-	1,000,000	-	1,000,000
Total portfolio liabilities	-	-	-	4,239,365	-	4,239,365
Total liabilities	11,120,146	-	552,190	4,276,710	(131,737)	15,817,309
Net assets:						
Without donor restrictions:						
Undesignated	3,545,337	133,877	64,043	-	-	3,743,257
Designated by the Board	9,415,545	-	-	-	-	9,415,545
Total Rare net assets without donor restrictions	12,960,882	133,877	64,043	-	-	13,158,802
Noncontrolling interest in Meloy Fund I L.P. (Note 3)	-	-	-	9,136,785	-	9,136,785
Total net assets without donor restrictions	12,960,882	133,877	64,043	9,136,785	-	22,295,587
With donor restrictions	22,435,965	-	-	-	-	22,435,965
Total net assets	35,396,847	133,877	64,043	9,136,785	-	44,731,552
Total liabilities and net assets	$ 46,516,993	$ 133,877	$ 616,233	$ 13,413,495	$ (131,737)	$ 60,548,861

Rare and Affiliates

Consolidating Statement of Activities
Year Ended September 30, 2021

	Rare	Unique Impact (formally, Rare Ventures, LLC)	Meloy Fund I G.P.	Meloy Fund I L.P.	Elimination	Total
Operating support and revenue:						
Grants and contributions	$ 34,612,753	$ -	$ -	$ -	$ -	$ 34,612,753
PPP loan forgiveness	1,688,291	-	-	-	-	1,688,291
Contributed services and materials	158,889	-	-	-	-	158,889
Program service revenue	599,500	310,677	980,521	-	(971,872)	918,826
Management fees and other revenue	79,698	-	311,657	-	(311,657)	79,698
Total operating support and revenue	37,139,131	310,677	1,292,178	-	(1,283,529)	37,458,457
Operating expenses:						
Sustainable Fisheries and Agriculture	12,473,213	13,000	-	-	-	12,486,213
Climate Change	4,758,517	-	-	-	-	4,758,517
Conservation Finance	2,256,107	181,800	1,569,796	590,640	(1,283,529)	3,314,814
Center for Behavior and Environment	3,458,171	-	-	-	-	3,458,171
Administrative	2,711,249	-	-	-	-	2,711,249
Fundraising	2,296,290	-	-	-	-	2,296,290
Total operating expenses	27,953,547	194,800	1,569,796	590,640	(1,283,529)	29,025,254
Other income:						
Rental income	208,347	-	-	-	-	208,347
Investment (loss) income	521	-	(9,359)	-	-	(8,838)
	208,868	-	(9,359)	-	-	199,509
Changes in net assets before noncontrolling interest	9,394,452	115,877	(286,977)	(590,640)	-	8,632,712
Other:						
Meloy Fund I L.P.:						
Portfolio interest	-	-	-	224,340	-	224,340
Change in unrealized loss on privately held securities	-	-	-	605,790	-	605,790
	-	-	-	830,130	-	830,130
Changes in net assets before contributions by limited partners	9,394,452	115,877	(286,977)	239,490	-	9,462,842
Contributions by limited partners	-	-	-	5,967,000	-	5,967,000
Change in net assets	9,394,452	115,877	(286,977)	6,206,490	-	15,429,842
Net assets:						
Beginning	26,002,395	18,000	351,020	2,930,295	-	29,301,710
Ending	$ 35,396,847	$ 133,877	$ 64,043	$ 9,136,785	$ -	$ 44,731,552

Rare and Affiliates

Rare Balance Sheet
September 30, 2021

Assets	
Cash and cash equivalents	$ 15,835,798
Grants and contributions receivable, net	19,090,870
Contracts receivable	13,317
Prepaid expenses and other assets	368,554
Program related investment loan	382,907
Investments	9,343,811
Assets held for deferred compensation	1,433,558
Property and equipment, net	48,178
Total assets	$ 46,516,993
Liabilities and Net Assets	
Accounts payable and accrued expenses	$ 3,070,494
Refundable advances	3,882,685
Loan payable	1,673,982
Related-party transactions	81,075
Deferred rent	978,352
Deferred compensation liabilities	1,433,558
Total liabilities	11,120,146
Net assets:	
Without donor restrictions:	
Undesignated	3,545,337
Designated by the Board	9,415,545
Total Rare net assets without donor restrictions	12,960,882
With donor restrictions	22,435,965
Total net assets	35,396,847
Total liabilities and net assets	$ 46,516,993

Rare and Affiliates

Rare Statement of Activities
Year Ended September 30, 2021

Support and revenue:	
Grants and contributions	$ 34,612,753
PPP loan forgiveness	1,688,291
Contributed services and materials	158,889
Program service revenue	599,500
Management fees and other revenue	79,698
Total support and revenue	37,139,131
Operating expenses:	
Sustainable Fisheries and Agriculture	12,473,213
Climate Change	4,758,517
Conservation Finance	2,256,107
Center for Behavior and Environment	3,458,171
Administrative	2,711,249
Fundraising	2,296,290
Total operating expenses	27,953,547
Other income:	
Rental income	208,347
Investment income	521
	208,868
Change in net assets	9,394,452
Net assets:	
Beginning	26,002,395
Ending	$ 35,396,847

Rare and Affiliates
The Swiss Confederation State Secretariat for Economic Affairs
"Fisheries Ecosystem Technical Assistance Facility"

Schedule of Cash Receipts and Expenditures
For Period October 1, 2020 to September 30, 2021

Cash receipts:	
Cash received	$ 265,365
Total cash receipts	265,365
Expenditures:	
Consultants	145,971
Management fee	24,811
Total expenditures	170,782
Excess of cash receipts over expenditures	94,583
Cash balance:	
Beginning	358,905
Ending	$ 453,488