

*AUDUBON COMMUNITY NATURE CENTER, INC.*

**REPORT ON  
FINANCIAL STATEMENTS**

**YEARS ENDED  
SEPTEMBER 30, 2021 AND 2020**

**AUDUBON COMMUNITY NATURE CENTER, INC.**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors**  
***Audubon Community Nature Center, Inc.***  
**Jamestown, New York**

We have audited the accompanying financial statements of ***Audubon Community Nature Center, Inc.***, which comprise the statements of financial position as of September 30, 2021 and 2020, 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 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 audits 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 ***Audubon Community Nature Center, Inc.*** as of September 30, 2021 and 2020, 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 of America.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Jamestown, New York**  
**January 12, 2022**

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

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<b>As of September 30,</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 171,503	\$ 260,905
Accounts receivables	13,315	817
Inventory	28,129	17,843
Prepaid expenses	3,489	2,953
Total current assets	<b>216,436</b>	<b>282,518</b>
<b>Long-term assets</b>		
Investments	2,407,059	1,931,171
Property and equipment, net	418,919	321,561
Beneficial interest in assets held by others	230,665	194,120
Total long-term assets	<b>3,056,643</b>	<b>2,446,852</b>
Total assets	<b>\$ 3,273,079</b>	<b>\$ 2,729,370</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 12,715	\$ 11,763
Accrued expenses	23,358	24,718
Deferred revenue	51,186	32,639
Funds held for others	2,500	2,500
Total current liabilities	<b>89,759</b>	<b>71,620</b>
<b>Net assets</b>		
Without donor restrictions		
Undesignated	720,207	574,751
Board designated	2,207,827	1,775,938
Total net assets without donor restrictions	<b>2,928,034</b>	<b>2,350,689</b>
With donor restrictions	<b>255,286</b>	<b>307,061</b>
Total net assets	<b>3,183,320</b>	<b>2,657,750</b>
Total liabilities and net assets	<b>\$ 3,273,079</b>	<b>\$ 2,729,370</b>

**See accompanying independent auditor's report and notes to financial statements.**

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**STATEMENTS OF ACTIVITIES**

Years ended September 30,

	2021			2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>Support and revenue</b>						
Contributions and grants	\$ 12,818	186,436	\$ 199,254	\$ 14,688	\$ 334,404	\$ 349,092
Program fees	126,657	--	126,657	93,579	--	93,579
Special services and projects, net	43,034	--	43,034	27,751	--	27,751
Annual fund drive	68,918	--	68,918	79,046	--	79,046
Friends of Nature Center	47,858	--	47,858	41,955	--	41,955
Book store, less cost of sales	25,579	--	25,579	15,735	--	15,735
Community Foundations	--	23,313	23,313	--	11,437	11,437
Realized gain on investments	118,440	--	118,440	22,767	--	22,767
Unrealized gain on investments	317,228	--	317,228	84,825	--	84,825
Investment income, net of fees	33,713	--	33,713	34,237	--	34,237
Other income	22,425	--	22,425	16,676	--	16,676
Paycheck Protection Program (PPP) income	--	82,160	82,160	--	96,103	96,103
Change in beneficial interest	--	36,545	36,545	--	3,391	3,391
National Audubon Society membership dues share	1,574	--	1,574	1,574	--	1,574
Net assets released from restrictions	380,229	(380,229)	--	422,703	(422,703)	--
<b>Total support and revenue</b>	<b>1,198,473</b>	<b>(51,775)</b>	<b>1,146,698</b>	<b>855,536</b>	<b>22,632</b>	<b>878,168</b>
<b>Expenses</b>						
Program services	439,540	--	439,540	423,657	--	423,657
Administrative and general	165,643	--	165,643	146,240	--	146,240
Fundraising	15,945	--	15,945	16,965	--	16,965
<b>Total expenses</b>	<b>621,128</b>	<b>--</b>	<b>621,128</b>	<b>586,862</b>	<b>--</b>	<b>586,862</b>
<b>Change in net assets</b>	<b>577,345</b>	<b>(51,775)</b>	<b>525,570</b>	<b>268,674</b>	<b>22,632</b>	<b>291,306</b>
<b>Net assets, beginning of year</b>	<b>2,350,689</b>	<b>307,061</b>	<b>2,657,750</b>	<b>2,082,015</b>	<b>284,429</b>	<b>2,366,444</b>
<b>Net assets, end of year</b>	<b>\$ 2,928,034</b>	<b>\$ 255,286</b>	<b>\$ 3,183,320</b>	<b>\$ 2,350,689</b>	<b>\$ 307,061</b>	<b>\$ 2,657,750</b>

See accompanying independent auditor's report and notes to financial statements.

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

Years ended September 30,

	2021				2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
<b>Expenses</b>								
Salaries and benefits	\$ 315,322	\$ 118,285	\$ 13,514	\$ 447,121	\$ 316,337	\$ 103,832	\$ 14,523	\$ 434,692
Insurance	--	13,746	--	13,746	--	13,243	--	13,243
Office expense	1,497	8,481	--	9,978	1,555	8,810	--	10,365
Professional fees	--	8,035	--	8,035	--	7,143	--	7,143
Administrative	1,396	12,560	--	13,956	938	8,438	--	9,376
Nature center building	36,878	--	--	36,878	35,516	--	--	35,516
Staff development	--	522	--	522	--	339	--	339
Education committee	28,633	3,181	--	31,814	16,463	1,829	--	18,292
Grounds	9,179	--	--	9,179	11,564	--	--	11,564
Operating committee	4,117	--	--	4,117	2,852	--	--	2,852
Annual fund	--	--	2,431	2,431	--	--	2,442	2,442
Depreciation	42,518	--	--	42,518	38,432	--	--	38,432
Miscellaneous	--	833	--	833	--	2,606	--	2,606
<b>Total expenses</b>	<b>\$ 439,540</b>	<b>\$ 165,643</b>	<b>\$ 15,945</b>	<b>\$ 621,128</b>	<b>\$ 423,657</b>	<b>\$ 146,240</b>	<b>\$ 16,965</b>	<b>\$ 586,862</b>

See accompanying independent auditor's report and notes to financial statements.

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**STATEMENTS OF CASH FLOWS**

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<b>Years ended September 30,</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 525,570	\$ 291,306
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	42,518	38,432
Bad debt recovery	(6,251)	(1,387)
Realized gain on investments	(118,440)	(22,767)
Unrealized gain on investments	(317,228)	(84,825)
Reinvested investment income	(29,164)	(29,677)
Support received for capital purposes	(32,660)	(160,900)
(Increase) decrease in accounts receivable	(12,498)	7,768
Increase in inventory	(10,286)	(6,681)
(Increase) decrease in prepaid expenses	(536)	2,682
Increase in beneficial interest in assets held by others	(36,545)	(3,391)
Increase in accounts payable	952	5,102
(Decrease) increase in accrued expenses	(1,360)	2,018
Increase (decrease) in deferred revenue	18,547	(22,820)
Net cash provided by operating activities	<b>22,619</b>	<b>14,860</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(139,876)	(116,892)
Net purchases of investments	(11,056)	(4,084)
Board designated endowment distribution	--	73,850
Collections on mortgage receivable	6,251	1,387
Net cash used in by investing activities	<b>(144,681)</b>	<b>(45,739)</b>
<b>Cash flows from financing activities:</b>		
Support restricted for capital purposes	32,660	160,900
Net cash provided by financing activities	<b>32,660</b>	<b>160,900</b>
<b>Change in cash and cash equivalents</b>	<b>(89,402)</b>	<b>130,021</b>
Cash and cash equivalents, beginning of year	260,905	130,884
<b>Cash and cash equivalents, end of year</b>	<b>\$ 171,503</b>	<b>\$ 260,905</b>

**See accompanying independent auditor's report and notes to financial statements.**

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Background

**Audubon Community Nature Center, Inc.** (Audubon), a chapter of the National Audubon Society, is a nonprofit corporation dedicated to connecting people to nature and promoting environmentally responsible practices through education at its Center, sanctuary, and in the community. Audubon's support comes primarily from grants, program fees, special projects, and fundraisers.

Basis of Accounting

The financial statements of Audubon have been prepared on the accrual basis of accounting. Audubon reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents

Audubon maintains its cash balances in two financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2021 and 2020, Audubon's cash balances were fully insured.

Cash and cash equivalents in the amount of \$84,218 and \$74,214 invested with four financial institutions were classified as investments as of September 30, 2021 and 2020, respectively.

Accounting for Investments

Audubon has adopted Financial Accounting Standards Codification Topic 958-320, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Topic 958-320 requires nonprofit organizations to record certain investments at fair value with unrealized gains and losses being recorded in the Statements of Activities.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the Statements of Financial Position. The cost of specific securities sold is used to compute realized gains or losses on sales.

Revenue Recognition

Revenue is recognized when performance obligations under the terms of a contract with the customer are satisfied based on the transfer of control of promised goods or services.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition from Exchange Transactions

The Audubon has multiple revenue streams that are accounted for as exchange transactions including membership dues, friends of Nature Center program fees, and special services and projects.

Membership dues, program revenues, and special services and projects consist of amounts that families and individuals pay to visit the Nature Center building, participate in various programs, and use the Audubon facilities for various events. Members join for period of one year pay annually. The Audubon offers a variety of programs and special service projects including day camp, public programming, birthday parties, youth programs, monarch butterfly, nature festival, enchanted forest, bird seed savings day, and other programs and special service projects. Fee-based programs are available to the general public. Programs typically require a 50% non-refundable deposit paid in advance, and remaining balance is required to be paid at the start of the program. Special services and projects are usually one-time events in which the revenue is recorded at the time cash is received. The revenue is earned and received during the same fiscal year for these events. During the fiscal year Enchanted forest and the bird seed savings day monies received in advance of event or sale are recorded as deferred revenue at September 30. Refunds may be available for services not provided.

Annual membership dues are recognized ratably over the membership period.

Support and Revenue

Support and revenue that is restricted by the donor/grantor is reported as an increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

All other donor/grantor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Inventories

Inventories are valued at lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method.

Property and Equipment

Acquisitions of non-expendable property are treated as capital additions of Audubon in the period in which they are acquired and asset values are recorded at that time. Property and equipment are carried at cost. Depreciation on fixed assets is recorded on a straight-line basis over the assets estimated useful lives ranging from five to twenty years.

It is Audubon's policy to capitalize assets purchased that cost \$500 or more individually.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Functional Expenses. Accordingly, certain costs have been allocated by management based on estimates among the programs and supporting services benefited.

Paycheck Protection Program (PPP)

The Audubon accounts for PPP funds expected to be forgiven as contribution revenue during the current fiscal year which aligns with the period when requirements of the program, including incurring eligible expenses, limitations on reductions to compensation and meeting certain full-time equivalent (FTE) were met.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Tax Status

Audubon is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from New York State income taxes under Article 7-A of the Executive Law and the New York Estates, Powers, and Trusts Law. Therefore, no provision has been made for federal or New York State income taxes in the accompanying financial statements. In addition, Audubon qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Agency other than a private foundation under Section 509(a)(2).

Tax filings that remain subject to examination by taxing authorities include years 2018 and later.

Donated Services and Equipment

Donated services are recognized as contributions in accordance with the Financial Accounting Standards Board in the Financial Accounting Standards Codification Topic 958-605, *Contributions Received*, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and otherwise would be purchased by Audubon. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria under Financial Accounting Standards Codification Topic 958-605 were not met. Volunteers provided 8,483 and 6,854 hours of service valued at \$106,038 and \$80,877, respectively, to Audubon during the years ended September 30, 2021 and 2020, respectively.

**NOTE 2- LIQUIDITY**

The following reflects Audubon's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. Also, Audubon may receive yearly distributions from investment funds held in its board designated endowment fund.

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash	\$ 171,503	\$ 260,905
Accounts receivables	13,315	817
Beneficial interest	230,665	194,120
Investments	<u>2,407,059</u>	<u>1,931,171</u>
Total financial assets	2,822,542	2,387,013
Less amounts not available for general expenditures within one year, due to:		
Net assets with donor restrictions	<u>(255,286)</u>	<u>(307,061)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,567,256</u>	<u>\$ 2,079,952</u>

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**NOTE 2- LIQUIDITY (CONTINUED)**

If necessary, the Audubon has access to investments without donor restrictions that are board designated for endowment. Although, Audubon does not intend to spend from these amounts, other than annual distribution to support operations, the assets could be made available if necessary through approval of the Board of Directors.

**NOTE 3 - INVESTMENTS**

Investments are presented at fair value in the financial statements. The cost and fair value at September 30, 2021 and 2020 is summarized as follows:

	2021	
	Fair Value	Cost
Cash and cash equivalents	\$ 84,218	\$ 84,218
Mutual funds	2,322,841	1,707,302
	<u>\$ 2,407,059</u>	<u>\$ 1,791,520</u>
	2020	
	Fair Value	Cost
Cash and cash equivalents	\$ 74,214	\$ 74,214
Mutual funds	1,754,808	1,406,712
Bonds	102,149	105,911
	<u>\$ 1,931,171</u>	<u>\$ 1,586,837</u>

**NOTE 4 – FAIR VALUE**

Certain assets of Audubon are reported at fair value in the accompanying Statements of Financial Position. A fair value hierarchy exists that prioritizes the inputs to valuation techniques used to measure fair value. As presented in the table below, this hierarchy consists of three broad levels. Level 1 inputs on the hierarchy consist of unadjusted quoted prices in active markets and have the highest priority. Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities. Level 3 inputs have the lowest priority. Audubon uses appropriate valuation techniques based on available inputs to measure the fair value of assets and liabilities.

**NOTE 4 – FAIR VALUE (CONTINUED)**

	2021		
	Level 1	Level 2	Level 3
Trading securities	\$ 2,407,059	\$ --	\$ --
Beneficial interest in assets held by others	230,665	--	--
	<u>\$ 2,637,724</u>	<u>\$ --</u>	<u>\$ --</u>
	2020		
	Level 1	Level 2	Level 3
Trading securities	\$ 1,931,171	\$ --	\$ --
Beneficial interest in assets held by others	194,120	--	--
	<u>\$ 2,125,291</u>	<u>\$ --</u>	<u>\$ --</u>

**NOTE 5 - MORTGAGE RECEIVABLE**

Audubon has a mortgage with an outstanding receivable balance at September 30:

	2021	2020
Mortgage receivable due in monthly installments of \$166, including interest at 7%, balance due December 30, 2022.	\$ -	\$ 6,251
Less: allowance for bad debts	-	(6,251)
	<u>\$ --</u>	<u>\$ --</u>

The borrower had consistently not made the payments due on the mortgage receivable. As a result, during 2016 Audubon established an allowance for bad debts in the amount of \$10,000 and bad debt expense in the amount of \$10,000 was recorded in administrative and general expense on the Statement of Activities during the year ended September 30, 2016. During 2021, the borrower paid the balance of the mortgage receivable. During the years ended September 30, 2021 and 2020, the borrower paid \$6,251 and \$2,000 including interest, respectively, which is recorded in other income on the Statements of Activities.

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**NOTE 6 - PROPERTY AND EQUIPMENT**

At September 30, 2021 and 2020 property and equipment consist of the following:

	2021	2020
Land	\$ 52,772	\$ 52,772
Building	1,803,724	1,684,490
Sanctuary and site improvements	121,306	113,989
Vehicles and machinery	70,771	70,771
Building equipment and furniture	277,695	264,370
	<u>2,326,268</u>	<u>2,186,392</u>
Less: accumulated depreciation	(1,907,349)	(1,864,831)
	<u>\$ 418,919</u>	<u>\$ 321,561</u>

Depreciation expense amounted to \$42,518 and \$38,432 for the years ended September 30, 2021 and 2020, respectively.

During the years ended 2021 and 2020 Audubon received grants for capital purchases totaling \$32,660 and \$160,900 respectively. This income was included in contributions and grants on the Statements of Activities. The purchases were capitalized in accordance with generally accepted accounting principles rather than shown as expenses to match the grant income directly.

**NOTE 7 - RETIREMENT PLAN**

Audubon sponsors a SEP/IRA retirement plan which provides benefits to all employees who meet an hours of service requirement. Employees can contribute to the plan, and employer contributions can be made up to 3% at the discretion of the Board of Directors, based on wages paid during the year.

Pension expense for the years ended September 30, 2021 and 2020 was \$7,968 and \$7,691, respectively.

**NOTE 8 - PROGRAM FEES**

Program fees are detailed as follows for the years ended September 30, 2021 and 2020:

	2021	2020
Education programs with BOCES	\$ 8,389	\$ 29,129
Day camp	53,384	36,905
Other programs	64,884	27,545
	<u>\$ 126,657</u>	<u>\$ 93,579</u>

**NOTE 9 - SPECIAL SERVICES AND PROJECTS**

Special services and projects are detailed as follows for the years ended September 30, 2021 and 2020:

	2021	Revenues	Expenses	Net
Auction	\$ 21,491		\$ 4,678	\$ 16,813
Monarch Butterfly		2,295	264	2,031
Nature festival		833	147	686
Enchanted forest		3,507	629	2,878
Bird seed savings day		15,733	8,840	6,893
Wild 5K		15,785	914	14,871
Audubon Lights		11,750	2,626	9,124
Other		1,404	11,666	(10,262)
		<u>\$ 72,798</u>	<u>\$ 29,764</u>	<u>\$ 43,034</u>

	2020	Revenues	Expenses	Net
Auction	\$ 23,859		\$ 4,139	\$ 19,720
Monarch Butterfly		2,235	-	2,235
Nature festival		5,011	534	4,477
Enchanted forest		5,020	362	4,658
Bird seed savings day		10,230	5,676	4,554
Wild 5K		2,096	1,219	877
Other		2,124	10,894	(8,770)
		<u>\$ 50,575</u>	<u>\$ 22,824</u>	<u>\$ 27,751</u>

**NOTE 10 - NET ASSETS**

Board Designated Net Assets without Donor Restrictions

As of September 30, 2021 and 2020, board designated net assets without donor restrictions are detailed as follows:

	2021	2020
Board designated endowment	\$ 2,115,456	\$ 1,683,567
Special fund	69,244	69,244
Equipment and improvements	23,127	23,127
	<u>\$ 2,207,827</u>	<u>\$ 1,775,938</u>

Distributions from the board designated endowment are made in accordance with the "Endowment Fund Investment Policy" which was modified by the Board of Directors in July, 2015. This Policy states that distributions shall equal 5% of the average market value of the Endowment funds over the prior twenty quarters.

\$0 and \$73,850 was distributed from the endowment in 2021 and 2020, respectively.

**AUDUBON COMMUNITY NATURE CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**NOTE 10 - NET ASSETS (CONTINUED)**

Changes in Board Designated Endowment Net Assets without Donor Restrictions

	2021	2020
Endowment net assets, beginning of year	\$ 1,683,567	\$ 1,555,374
Allocated investment income	114,661	43,368
Net allocated appreciation	317,228	84,825
Endowment net assets, end of year	<u>\$ 2,115,456</u>	<u>\$ 1,683,567</u>

Net Assets with Donor Restrictions

At September 30, 2021 and 2020, net assets with donor restrictions are available for the following purposes:

	2021	2020
General education program for future periods	\$ 4,390	\$ 92,710
Beneficial interest in assets held by others	230,665	194,120
Permanently restricted	20,231	20,231
	<u>\$ 255,286</u>	<u>\$ 307,061</u>

**NOTE 11 - BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

Audubon executed an agreement in a previous year with the Chautauqua Region Community Foundation (CRCF) which established an endowment fund for their benefit at CRCF. The value of the fund at September 30, 2021 and 2020 was \$68,776 and \$58,819, respectively. In 2015 Audubon established a second endowment fund at (CRCF) for providing internships at Audubon. The value of the fund at September 30, 2021 and 2020 was \$119,964 and \$99,362, respectively. In 2017 Audubon established a third endowment fund at (CRCF) for providing science scholarships at Audubon. The value of the fund at September 30, 2021 and 2020 was \$12,811 and \$11,446, respectively.

A similar agreement was executed between Audubon and the Northern Chautauqua Community Foundation (NCCF). The value of the fund at September 30, 2021 and 2020 was \$29,114 and \$24,493, respectively.

The total value of these interests is shown in the Statements of Financial Position as a Beneficial Interest in Assets Held by Others. The agreements state that the transfer of assets is irrevocable. However, Audubon will receive annual distributions of income earned on the endowment funds, subject to the respective Foundation's spending policies. This income is reported in the Statements of Activities as investment income. The agreements also grant variance power to the respective Foundations.

**NOTE 12 - REVENUES**

Disaggregation of revenue

As disclosed in Note 1, Audubon is dedicated to connecting people to nature and promoting environmentally responsible practices through education at its Center, sanctuary, and in the community. As a result, that Audubon is dependent on the strength of the economy and its ability to collect amounts owed. Disaggregated revenues of Audubon are presented in the Statements of Activities (page 3).

Contract balances

Accounts receivable represent Audubon's unconditional right to receive consideration from a customer. There is no allowance for uncollectible accounts at September 30, 2021 and 2020.

The Audubon has no contract assets as of September 30, 2021 and 2020. Contract liabilities consists of deferred membership and events of \$51,186 and \$32,639 as of September 30, 2021 and 2020.

Performance Obligations

The Audubon's performance obligations are generally satisfied when the related expenditures are incurred over the service period and the services have been performed.

Significant Judgments

There were no significant judgments affecting the determination of the amount and timing of revenue from contracts with customers during the years ended September 30, 2021 and 2020.

**NOTE 13 – COVID-19 PANDEMIC**

In March 2020, the outbreak of COVID-19 caused by a novel strain of the coronavirus has been recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including but not limited to the temporary closures of many businesses, "shelter in place" and other governmental regulations, and reduced consumer spending due to both job losses and other effects attributable to the pandemic. The extent and impact of the pandemic on the Audubon and its operations are uncertain and cannot be reasonably estimated at this time.

**NOTE 14 – PAYCHECK PROTECTION PROGRAM (PPP)**

On May 1, 2020, the Audubon received \$10,000 advance from the Economic Injury Disaster Loan (EIDL). The advance is not required to be repaid and therefore recognized as revenue.

On May 3, 2020, Audubon Community Nature Center, Inc. was granted from Northwest Bank, N.A. in the aggregate amount of \$86,103, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the CARES Act, which was enacted March 27, 2020.

Under the terms of the PPP, certain amounts of the Loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. Audubon used the entire proceeds for qualifying expenses and therefore in October 2020 applied for loan forgiveness in the amount of \$76,103 (\$86,103 less the EIDL advance of \$10,000). In January 2021, the Audubon applied for loan forgiveness on the remaining balance of \$10,000. As a result of meeting the conditions of the program prior to September 30, 2020, Audubon has recognized the proceeds as revenue on the Statements of Activities during the year ended September 30, 2020.

On February 8, 2021, Audubon Community Nature Center, Inc. was granted \$82,160 from Northwest Bank, N.A. pursuant to the PPP. Audubon used the entire proceeds for qualifying expenses and therefore in August 2021 was granted loan forgiveness in the amount of \$82,160. As a result of meeting the conditions of the program, Audubon has recognized the proceeds as revenue on the Statements of Activities during the year ended September 30, 2021.

**NOTE 15 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through January 12, 2022, which is the date that the financial statements were available to be issued.