

AUDUBON COMMUNITY NATURE CENTER, INC.

**REPORT ON
FINANCIAL STATEMENTS**

**YEARS ENDED
SEPTEMBER 30, 2022 AND 2021**

AUDUBON COMMUNITY NATURE CENTER, INC.

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7-12

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of ***Audubon Community Nature Center, Inc.*** (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ***Audubon Community Nature Center, Inc.*** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ***Audubon Community Nature Center, Inc.'s*** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 **Audubon Community Nature Center, Inc.'s** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Audubon Community Nature Center, Inc.'s** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Buffamante Whipple Buttafaro PC

BUFFAMANTE WHIPPLE BUTTAFARO, P.C.

**Jamestown, New York
February 7, 2023**

AUDUBON COMMUNITY NATURE CENTER, INC.
STATEMENTS OF FINANCIAL POSITION

Page 3

As of September 30,

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 125,144	\$ 171,503
Accounts receivables	55,341	13,315
Inventory	30,650	28,129
Prepaid expenses	4,247	3,489
Total current assets	215,382	216,436
Long-term assets		
Investments	1,920,873	2,407,059
Property and equipment, net	410,107	418,919
Beneficial interest in assets held by others	183,095	230,665
Total long-term assets	2,514,075	3,056,643
Total assets	\$ 2,729,457	\$ 3,273,079
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 7,600	\$ 12,715
Accrued expenses	25,077	23,358
Deferred revenue	63,006	51,186
Funds held for others	2,500	2,500
Total current liabilities	98,183	89,759
Net assets		
Without donor restrictions		
Undesignated	652,085	720,205
Board designated	1,748,462	2,207,827
Total net assets without donor restrictions	2,400,547	2,928,034
With donor restrictions	230,727	255,286
Total net assets	2,631,274	3,183,320
Total liabilities and net assets	\$ 2,729,457	\$ 3,273,079

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

AUDUBON COMMUNITY NATURE CENTER, INC.
STATEMENTS OF ACTIVITIES

Years ended September 30,

	2022			2021		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and revenue						
Contributions and grants	\$ 11,744	185,634	\$ 197,378	\$ 12,818	\$ 186,436	\$ 199,254
Program fees	161,389	--	161,389	126,657	--	126,657
Special services and projects, net	45,118	--	45,118	43,034	--	43,034
Annual fund drive	86,941	5,000	91,941	68,918	--	68,918
Friends of Nature Center	54,187	--	54,187	47,858	--	47,858
Book store, less cost of sales	24,713	--	24,713	25,579	--	25,579
Community Foundations	--	12,041	12,041	--	23,313	23,313
Realized gain on investments	115,684	--	115,684	118,440	--	118,440
Unrealized gain (loss) on investments	(561,128)	--	(561,128)	317,228	--	317,228
Investment income, net of fees	42,836	--	42,836	33,713	--	33,713
Other income	34,698	--	34,698	22,425	--	22,425
Paycheck Protection Program (PPP) income	--	--	--	--	82,160	82,160
Change in beneficial interest	--	(47,570)	(47,570)	--	36,545	36,545
National Audubon Society membership dues share	1,574	--	1,574	1,574	--	1,574
Net assets released from restrictions	179,664	(179,664)	--	380,229	(380,229)	--
Total support and revenue	197,420	(24,559)	172,861	1,198,473	(51,775)	1,146,698
Expenses						
Program services	525,462	--	525,462	439,540	--	439,540
Administrative and general	181,826	--	181,826	165,643	--	165,643
Fundraising	17,619	--	17,619	15,945	--	15,945
Total expenses	724,907	--	724,907	621,128	--	621,128
Change in net assets	(527,487)	(24,559)	(552,046)	577,345	(51,775)	525,570
Net assets, beginning of year	2,928,034	255,286	3,183,320	2,350,689	307,061	2,657,750
Net assets, end of year	\$ 2,400,547	\$ 230,727	\$ 2,631,274	\$ 2,928,034	\$ 255,286	\$ 3,183,320

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

AUDUBON COMMUNITY NATURE CENTER, INC.
STATEMENTS OF FUNCTIONAL EXPENSES

Years ended September 30,

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Expenses								
Salaries and benefits	\$ 378,806	\$ 132,083	\$ 13,943	\$ 524,832	\$ 315,322	\$ 118,285	\$ 13,514	\$ 447,121
Insurance	--	13,736	--	13,736	--	13,746	--	13,746
Office expense	1,314	7,447	--	8,761	1,497	8,481	--	9,978
Professional fees	--	8,513	--	8,513	--	8,035	--	8,035
Administrative	1,495	13,451	--	14,946	1,396	12,560	--	13,956
Nature center building	43,227	--	--	43,227	36,878	--	--	36,878
Staff development	--	1,591	--	1,591	--	522	--	522
Education committee	37,769	4,197	--	41,966	28,633	3,181	--	31,814
Grounds	11,257	--	--	11,257	9,179	--	--	9,179
Operating committee	4,509	--	--	4,509	4,117	--	--	4,117
Annual fund	--	--	3,676	3,676	--	--	2,431	2,431
Depreciation	47,085	--	--	47,085	42,518	--	--	42,518
Miscellaneous	--	808	--	808	--	833	--	833
Total expenses	\$ 525,462	\$ 181,826	\$ 17,619	\$ 724,907	\$ 439,540	\$ 165,643	\$ 15,945	\$ 621,128

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

AUDUBON COMMUNITY NATURE CENTER, INC.
STATEMENTS OF CASH FLOWS

Page 6

Years ended September 30,	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (552,046)	\$ 525,570
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	47,085	42,518
Bad debt recovery	-	(6,251)
Realized gain on investments	(115,684)	(118,440)
Unrealized loss (gain) on investments	561,128	(317,228)
Reinvested investment income	(37,294)	(29,164)
Support received for capital purposes	(40,732)	(32,660)
Increase in accounts receivable	(42,026)	(12,498)
Increase in inventory	(2,521)	(10,286)
Increase in prepaid expenses	(758)	(536)
Decrease (increase) in beneficial interest in assets held by others	47,570	(36,545)
Increase (decrease) in accounts payable	(5,115)	952
Increase (decrease) in accrued expenses	1,719	(1,360)
Increase in deferred revenue	11,820	18,547
Net cash provided by (used in) operating activities	(126,854)	22,619
Cash flows from investing activities:		
Capital expenditures	(38,273)	(139,876)
Net purchases of investments	(3,254)	(11,056)
Board designated endowment distribution	81,290	-
Collections on mortgage receivable	-	6,251
Net cash provided by (used in) by investing activities	39,763	(144,681)
Cash flows from financing activities:		
Support restricted for capital purposes	40,732	32,660
Net cash provided by financing activities	40,732	32,660
Change in cash and cash equivalents	(46,359)	(89,402)
Cash and cash equivalents, beginning of year	171,503	260,905
Cash and cash equivalents, end of year	\$ 125,144	\$ 171,503

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

AUDUBON COMMUNITY NATURE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

Page 7

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, 2022 and 2021, Audubon's cash balances were fully insured.

Cash and cash equivalents in the amount of \$85,816 and \$84,218 invested with financial institutions were classified as investments as of September 30, 2022 and 2021, 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, 2022 AND 2021

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 \$5,000 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 accounted for PPP funds when they were expected to be forgiven, as contribution revenue during the 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 8,819 and 8,483 hours of service valued at approximately \$115,000 and \$106,000, respectively, to Audubon during the years ended September 30, 2022 and 2021, respectively.

NOTE 2- LIQUIDITY

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

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash	\$ 125,144	\$ 171,503
Accounts receivables	55,341	13,315
Beneficial interest	183,095	230,665
Investments	<u>1,920,873</u>	<u>2,407,059</u>
Total financial assets	2,284,453	2,822,542
Less amounts not available for general expenditures within one year, due to:		
Net assets with donor restrictions	<u>(230,727)</u>	<u>(255,286)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,053,726</u>	<u>\$ 2,567,256</u>

AUDUBON COMMUNITY NATURE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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, 2022 and 2021 is summarized as follows:

	2022	
	Fair Value	Cost
Cash and cash equivalents	\$ 85,816	\$ 85,816
Mutual funds	1,835,056	1,780,646
	<u>\$ 1,920,872</u>	<u>\$ 1,866,462</u>

	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>

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)

	2022		
	Level 1	Level 2	Level 3
Cash and mutual funds	\$ 1,920,873	\$ --	\$ --
Beneficial interest in assets held by others	183,095	--	--
	<u>\$ 2,103,968</u>	<u>\$ --</u>	<u>\$ --</u>

	2021		
	Level 1	Level 2	Level 3
Cash and mutual funds	\$ 2,407,059	\$ --	\$ --
Beneficial interest in assets held by others	230,665	--	--
	<u>\$ 2,637,724</u>	<u>\$ --</u>	<u>\$ --</u>

NOTE 5 - MORTGAGE RECEIVABLE

Audubon previously had a mortgage receivable which was paid in full during the fiscal year ended September 30, 2021.

AUDUBON COMMUNITY NATURE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

NOTE 6 - PROPERTY AND EQUIPMENT

At September 30, 2022 and 2021 property and equipment consist of the following:

	2022	2021
Land	\$ 52,772	\$ 52,772
Building	1,803,724	1,803,724
Sanctuary and site improvements	154,276	121,306
Vehicles and machinery	70,771	70,771
Building equipment and furniture	278,119	277,695
	<u>2,359,662</u>	<u>2,326,268</u>
Less: accumulated depreciation	(1,949,555)	(1,907,349)
	<u>\$ 410,107</u>	<u>\$ 418,919</u>

Depreciation expense amounted to \$47,085 and \$42,518 for the years ended September 30, 2022 and 2021, respectively.

During the years ended 2022 and 2021 Audubon received grants for capital purchases totaling \$40,732 and \$32,660 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, 2022 and 2021 was \$8,681 and \$7,968, respectively.

NOTE 8 - PROGRAM FEES

Program fees are detailed as follows for the years ended September 30, 2022 and 2021:

	2022	2021
Education programs with BOCES	\$ 38,441	\$ 8,389
Day camp	49,047	53,384
Other programs	73,901	64,884
	<u>\$ 161,389</u>	<u>\$ 126,657</u>

NOTE 9 - SPECIAL SERVICES AND PROJECTS

Special services and projects are detailed as follows for the years ended September 30, 2022 and 2021:

	2022	Revenues	Expenses	Net
Auction	\$ 25,213		\$ 7,487	\$ 17,726
Monarch Butterfly		5,406	316	5,090
Nature festival		3,069	85	2,984
Enchanted forest		4,734	420	4,314
Bird seed savings day		15,414	10,313	5,101
Wild 5K		3,790	2,186	1,604
Audubon lights		8,382	1,539	6,843
Other		11,500	10,044	1,456
	<u>\$ 77,508</u>		<u>\$ 32,390</u>	<u>\$ 45,118</u>

	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>

NOTE 10 - NET ASSETS

Board Designated Net Assets without Donor Restrictions

As of September 30, 2022 and 2021, board designated net assets without donor restrictions are detailed as follows:

	2022	2021
Board designated endowment	\$ 1,656,091	\$ 2,115,456
Special fund	69,244	69,244
Equipment and improvements	23,127	23,127
	<u>\$ 1,748,462</u>	<u>\$ 2,207,827</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.

\$81,290 and \$0 was distributed from the endowment in 2022 and 2021, respectively, to be used towards operations.

AUDUBON COMMUNITY NATURE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

NOTE 10 - NET ASSETS (CONTINUED)

Changes in Board Designated Endowment Net Assets without Donor Restrictions

	2022	2021
Endowment net assets, beginning of year	\$ 2,115,456	\$ 1,683,567
Allocated investment income	143,799	114,661
Net allocated appreciation (depreciation)	(521,874)	317,228
Distribution towards operations	(81,290)	--
Endowment net assets, end of year	<u>\$ 1,656,091</u>	<u>\$ 2,115,456</u>

Net Assets with Donor Restrictions

At September 30, 2022 and 2021, net assets with donor restrictions are available for the following purposes:

	2022	2021
General education program and equipment purchases for future periods	\$ 27,401	\$ 4,390
Beneficial interest in assets held by others	183,095	230,665
Permanently restricted	20,231	20,231
	<u>\$ 230,727</u>	<u>\$ 255,286</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, 2022 and 2021 was \$55,309 and \$68,776, respectively. In 2015 Audubon established a second endowment fund at (CRCF) for providing internships at Audubon. The value of the fund at September 30, 2022 and 2021 was \$94,382 and \$119,964, 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, 2022 and 2021 was \$9,784 and \$12,811, respectively.

A similar agreement was executed between Audubon and the Northern Chautauqua Community Foundation (NCCF). The value of the fund at September 30, 2022 and 2021 was \$23,620 and \$29,114, 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 change in beneficial interest. 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, 2022 and 2021.

The Audubon has no contract assets as of September 30, 2022 and 2021. Contract liabilities consists of deferred membership and events of \$63,006 and \$51,186 as of September 30, 2022 and 2021.

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, 2022 and 2021.

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.

AUDUBON COMMUNITY NATURE CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

NOTE 13 – COVID-19 PANDEMIC

During the fiscal year ended September 30, 2020, Audubon Community Nature Center, Inc. received and recognized and recognized as revenue an Economic Injury Disaster Loan (EIDL) of \$10,000 and proceeds pursuant to the Paycheck Protection Program (the “PPP”) of \$86,103.

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 14 – SUBSEQUENT EVENTS

Subsequent events were evaluated through February 7, 2023, which is the date that the financial statements were available to be issued.