

**WESTMORELAND SANCTUARY, INC.**

**Financial Statements  
for the years ended  
March 31, 2022  
and  
March 31, 2021**

**Independent Auditor's Report**

To the Board of Directors  
Westmoreland Sanctuary, Inc.

***Opinion***

We have audited the accompanying financial statements of Westmoreland Sanctuary, Inc. (the "Sanctuary") which comprise the statement of financial position as of March 31, 2022 and March 31, 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 the Sanctuary as of March 31, 2022 and March 31, 2021 and the results of its activities 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 the Sanctuary 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 the 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 the Sanctuary'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 opinion. 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 the Sanctuary'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 the Sanctuary'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.

*Condon O'Meara McIntyre & Donnelly LLP*

**WESTMORELAND SANCTUARY, INC.**

**Statement of Activities  
Year Ended March 31, 2022  
(with Summarized Comparative Information for the year ended March 31, 2021)**

	2022			2021		
	Without Donor Restrictions	Board-Designated	Total	Without Donor Restrictions	Total	Total
<b>Support and revenue</b>						
Contribution and grants	\$ 70,932	-	\$ 70,932	\$ 593,224	\$ 664,156	\$ 194,876
Government grant - PPP	46,200	-	46,200	-	46,200	-
Special events	71,700	-	71,700	-	71,700	2,121
Programming fees	72,540	-	72,540	-	72,540	37,603
Contributed non financial assets	8,605	-	8,605	-	8,605	3,400
Investment return, net	-	743,072	743,072	174,301	917,373	1,848,255
Investment return designated for current operations	223,719	(181,212)	42,507	(42,507)	-	-
Store sales, rental, and other	11,675	-	11,675	-	11,675	226
Net assets released from restrictions	93,613	-	93,613	(93,613)	-	-
Total support and revenue	<u>598,984</u>	<u>561,860</u>	<u>1,160,844</u>	<u>631,405</u>	<u>1,792,249</u>	<u>2,086,481</u>
<b>Expenses</b>						
Program services	326,882	-	326,882	-	326,882	206,964
Supporting activities						
Management and general	123,455	-	123,455	-	123,455	159,297
Fund-raising	54,931	-	54,931	-	54,931	70,632
Total supporting activities	<u>178,386</u>	<u>-</u>	<u>178,386</u>	<u>-</u>	<u>178,386</u>	<u>229,929</u>
Total expenses	<u>505,268</u>	<u>-</u>	<u>505,268</u>	<u>-</u>	<u>505,268</u>	<u>436,893</u>
<b>Increase in net assets</b>	<b>93,716</b>	<b>561,860</b>	<b>655,576</b>	<b>631,405</b>	<b>1,286,981</b>	<b>1,649,588</b>
<b>Net assets, beginning of year</b>	<u>1,362,632</u>	<u>4,766,062</u>	<u>6,128,694</u>	<u>1,738,703</u>	<u>7,867,397</u>	<u>6,217,809</u>
<b>Net assets, end of year</b>	<u>\$ 1,456,348</u>	<u>\$ 5,327,922</u>	<u>\$ 6,784,270</u>	<u>\$ 2,370,108</u>	<u>\$ 9,154,378</u>	<u>\$ 7,867,397</u>

See notes to financial statements.

WESTMORELAND SANCTUARY, INC.

Statement of Functional Expenses  
 Year Ended March 31, 2022  
 (with Summarized Comparative Information for the year ended March 31, 2021)

	2022			2021		
	Program Services	Supporting Activities		Management and General	Fund-Raising	Total
	Conservation	Education	Total	General	Raising	Total
Salaries and wages	\$ 67,325	\$ 58,824	\$ 126,149	\$ 54,871	\$ 18,372	\$ 199,392
Payroll taxes and employee benefits	21,635	4,652	26,287	4,338	1,453	32,078
Insurance	7,508	6,560	14,068	6,119	2,049	22,236
Utilities	6,128	5,354	11,482	4,995	1,672	18,149
Maintenance and repairs	7,514	6,566	14,080	6,124	2,051	22,255
Professional and consultants fees	34,801	37,943	72,744	36,139	9,055	117,938
Conservation	20,735	-	20,735	-	-	20,735
Fundraising expense	-	-	-	-	16,640	16,640
Program cost	-	12,161	12,161	-	-	12,161
Office supplies and expense	3,456	3,020	6,476	2,817	943	10,236
Animal care	-	4,187	4,187	-	-	4,187
Payroll processing	1,501	1,312	2,813	1,224	410	4,447
Telephone and internet	713	623	1,336	582	195	2,113
Dues and subscriptions	40	34	74	32	11	117
Bank and online fees	1,042	910	1,952	849	284	3,085
Truck	2,302	2,011	4,313	1,876	628	6,817
Depreciation	4,152	3,627	7,779	3,382	1,133	12,294
Miscellaneous	132	114	246	107	35	388
<b>Total</b>	<b>\$ 178,984</b>	<b>\$ 147,898</b>	<b>\$ 326,882</b>	<b>\$ 123,455</b>	<b>\$ 54,931</b>	<b>\$ 505,268</b>
						<b>\$ 436,893</b>

See notes to financial statements.

## WESTMORELAND SANCTUARY, INC.

## Statement of Cash Flows

	Year Ended	
	March 31	
	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 1,286,981	\$ 1,649,588
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation	12,294	12,474
Realized (gain) on investments	(334,010)	(210,509)
Unrealized (gain) on investments	(496,714)	(1,528,747)
PPP loan forgiveness	(46,200)	-
(Increase) in assets		
Contributions receivable	(37,278)	(6,792)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	15,461	(3,617)
Deferred revenue	4,525	-
Security deposit	(3,910)	2,910
Net cash provided by (used in) operating activities	<u>401,149</u>	<u>(84,693)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	1,902,074	1,399,237
Purchases of investments	(2,265,088)	(1,282,721)
Purchases of property and equipment	(52,411)	(84,554)
Net cash provided by (used in) investing activities	<u>(415,425)</u>	<u>31,962</u>
<b>Cash flows provided by financing activities</b>		
Proceeds from PPP loan payable	-	46,200
Net (decrease) in cash and cash equivalents	<u>(14,276)</u>	<u>(6,531)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>82,350</u>	<u>88,881</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 68,074</u>	<u>\$ 82,350</u>

See notes to financial statements.

**WESTMORELAND SANCTUARY, INC.****Notes to Financial Statements  
March 31, 2022 and March 31, 2021****Note 1 – Nature of organization**

Westmoreland Sanctuary, Inc. (the “Sanctuary”) was established in 1957 as a not-for-profit nature center and wildlife preserve with the mission to acquire, establish and maintain for the free use, enjoyment and appreciation of the public, tracts of land including woodland and streams, as a nature sanctuary, to promote nature appreciation, preservation and conservation generally, for the present and future benefit and enjoyment of the public.

The Sanctuary also offers a variety of environmental education, conservation and recreational programs and events serving nearly 15,000 visitors every year. Through these facilities and programs the Sanctuary encourages a deeper understanding and engagement with nature and our environment.

**Note 2 – Summary of significant accounting policies****Financial statement presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are available at the discretion of the Sanctuary for use in its programs and operations. Net assets with temporary donor restrictions are subject to donor-imposed restrictions that will be met either by actions of the Sanctuary or the passage of time. Net assets with perpetual donor restrictions are required that they be maintained in perpetuity by the Sanctuary.

**Contributions and bequests**

Contributions, including unconditional promises to give, are recognized initially at fair value as support in the period received or pledged. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Bequests are recorded as support when a legally binding obligation is received and when a fair value can reasonably be determined.

**Investments**

Investments are recorded at fair value on the statement of financial position based on publicly quoted prices. Realized and unrealized gains or losses on investment transactions are reported in the statement of activities as increase or decreases in net assets.

**WESTMORELAND SANCTUARY, INC.****Notes to Financial Statements (continued)  
March 31, 2022 and March 31, 2021****Note 2 – Summary of significant accounting policies (continued)**Fair value measurements

Accounting principles generally accepted in the United States of America established a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. As of March 31, 2022 and March 31, 2021, the Sanctuary's investments are classified in the highest level of the hierarchy (level 1).

Property and equipment

Property and equipment are recorded at cost. The Sanctuary capitalizes all property and equipment expenditures over \$5,000 that have a useful life of one year or more. Property and equipment depreciated on the straight-line method over the useful lives of the assets which range from 3 to 39 years.

Contributed non financial assets

During the 2022 and 2021 fiscal years, the Sanctuary received donated professional services. These services were an integral part of the activities of the Sanctuary and would have had to be purchased by the Sanctuary if they had not been donated. These services, totaling \$8,605 and \$3,400 in the 2022 and 2021 fiscal years, respectively, were recorded at the fair value based on what it would have cost the Sanctuary to purchase them independently and have been reflected as support and expenses in the statement of activities.

Functional allocation of expenses

Salaries are generally allocated to the various program services or supporting activities based on the amount of time spent by specific individuals on each program or activity. Fringe benefits and other employee costs are allocated on an overall basis, corresponding generally to the allocation of salary expenses. All other expenses can generally be identified with the program service or supporting activity to which they relate.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from these estimates.



## WESTMORELAND SANCTUARY, INC.

Notes to Financial Statements (continued)  
March 31, 2022 and March 31, 2021**Note 2 – Summary of significant accounting policies (continued)**Concentration of credit risk

The Sanctuary's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and investments. The Sanctuary places its cash and cash equivalents with what it believes to be quality financial institutions. The Sanctuary's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported on the statement of financial position as of March 31, 2022. The Sanctuary believes no significant concentration of credit risk exists with respect to its cash and cash equivalents and investments.

Subsequent events

The Sanctuary has evaluated events and transactions for potential recognition or disclosure through January 23, 2023, which is the date the financial statements were available to be issued.

**Note 3 – Liquidity and availability of financial assets**

The Sanctuary regularly monitors the availability of resources required to meet its operating needs and other commitments while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Sanctuary considers all expenditures related to its ongoing activities to be general expenditures.

The following is a summary of the Sanctuary's financial assets as of March 31, 2022 and March 31, 2021 that are available for general use within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 68,074	\$ 82,350
Contributions receivable	44,585	7,307
Investments, at fair value	<u>7,755,166</u>	<u>6,561,428</u>
Sub-total	7,867,825	6,651,085
Add: investment return appropriated for next year's operations	380,885	223,719
Less: net assets with board designations	5,327,922	4,766,062
net assets with perpetual donor restrictions	<u>1,250,000</u>	<u>1,250,000</u>
Total	<u>\$ 1,670,788</u>	<u>\$ 858,742</u>

The Board-designated funds could be used for general use if approved by the Board of Directors.

## WESTMORELAND SANCTUARY, INC.

Notes to Financial Statements (continued)  
March 31, 2022 and March 31, 2021**Note 4 – Investments, at fair value**

As of March 31, 2022 and March 31, 2021, investments, at fair value, consist of the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$1,269,548	\$ 774,009
U.S. Treasury notes	790,403	601,965
Corporate bonds	105,390	104,160
Common stocks	<u>5,589,825</u>	<u>5,081,294</u>
Total	<u>\$7,755,166</u>	<u>\$6,561,428</u>

**Note 5 – Property and equipment, net**

Property and equipment, net consist of the following at March 31, 2022 and March 31, 2021:

	<u>2022</u>	<u>2021</u>
Land	\$ 815,397	\$ 815,397
Land improvements	21,282	21,282
Nature Museum	382,465	342,865
Route 22 House	226,808	226,808
Bechtel Lake dock	25,688	25,688
Lodge	95,054	95,054
Furniture, fixtures and equipment	83,142	83,142
Construction in progress	<u>92,386</u>	<u>79,575</u>
Sub-total	1,742,222	1,689,811
Less: accumulated depreciation	<u>433,946</u>	<u>421,652</u>
Total	<u>\$1,308,276</u>	<u>\$1,268,159</u>

**Note 6 – Endowment and donor restricted net assets****General**

The Sanctuary's endowment includes both donor-restricted endowment funds and funds designated by its Board. The Board of Directors, at its discretion, and based on the needs of the Sanctuary, can decide whether to reinvest endowment income or use it for operating purposes. Net assets with perpetual donor restrictions consist of \$1,250,000 in donations from the Helen Clay Frick Foundation and from others that were raised as part of a matching gift grant from the Helen Clay Frick Foundation. The donations have been restricted by the donors in perpetuity, the income from which is to be used for the general purposes of the Sanctuary.

## WESTMORELAND SANCTUARY, INC.

Notes to Financial Statements (continued)  
March 31, 2022 and March 31, 2021**Note 6 – Endowment and donor restricted net assets (continued)**Interpretation of relevant law

The Sanctuary has interpreted New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Sanctuary classified as net assets with perpetual restrictions (a) the original value of the gifts donated to the perpetual endowment, and (b) the original value of subsequent gifts to the perpetual endowment. Furthermore, the original gift does not require accumulations of investment returns to be added to the perpetual endowment and therefore such returns are classified as net assets with temporary donor restrictions until those amounts are appropriated for expenditure by the Sanctuary in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The following is a reconciliation of the activity in the funds for the years ending March 31, 2022 and March 31, 2021:

	Net assets			Total
	Without Donor Restrictions	With Donor Restrictions		
	Board-Designated Fund	Temporary Restrictions	Perpetual	
Balance at March 31, 2020	\$ 3,608,008	\$ 72,877	\$ 1,250,000	\$ 4,930,885
Contributions and grants	-	102,150	-	102,150
Investment return				
Interest and dividends	108,320	36,707	-	145,027
Realized gains	157,228	53,281	-	210,509
Unrealized appreciation	1,141,815	386,932	-	1,528,747
Investment expenses	(26,909)	(9,119)	-	(36,028)
Sub-total	1,380,454	467,801	-	1,848,255
(Drawdowns)	(188,423)	(63,852)	-	(252,275)
Net assets released from restrictions	-	(90,273)	-	(90,273)
Net assets released from designation	(33,977)	-	-	(33,977)
Balance at March 31, 2021	4,766,062	488,703	1,250,000	6,504,765
Contributions and grants	-	593,224	-	593,224
Investment return				
Interest and dividends	106,682	25,024	-	131,706
Realized gains	270,548	63,462	-	334,010
Unrealized appreciation	402,338	94,376	-	496,714
Investment expenses	(36,496)	(8,561)	-	(45,057)
Sub-total	743,072	174,301	-	917,373
(Drawdowns)	(181,212)	(42,507)	-	(223,719)
Net assets released from restrictions	-	(93,613)	-	(93,613)
Balance at March 31, 2022	\$ 5,327,922	\$ 1,120,108	\$ 1,250,000	\$ 7,698,030

## WESTMORELAND SANCTUARY, INC.

Notes to Financial Statements (continued)  
March 31, 2022 and March 31, 2021Note 6 – Endowment and donor restricted net assets (continued)

The following is a summary of the activity of the net assets with temporary donor restrictions as of March 31, 2022 and March 31, 2021:

	2022				
	Balance at March 31, 2021	Contributions and Grants	Net Investment Return	Net assets Released from Restrictions	Balance at March 31, 2022
Conservation	\$ 5,229	\$ 27,975	\$ -	\$ (14,950)	\$ 18,254
Education	44,354	22,000	-	(5,177)	61,177
Conservation/education	35,171	42,249	-	(38,749)	38,671
Capital projects	-	501,000	-	(34,737)	466,263
Non-appropriated perpetual donor restrictions investment return	403,949	-	131,794	-	535,743
Total	<u>\$ 488,703</u>	<u>\$ 593,224</u>	<u>\$ 131,794</u>	<u>\$ (93,613)</u>	<u>\$ 1,120,108</u>
	2021				
	Balance at March 31, 2020	Contributions and Grants	Net Investment Return	Net assets Released from Restrictions	Balance at March 31, 2021
Conservation	\$ 1,397	\$ 12,000	\$ -	\$ (8,168)	\$ 5,229
Education	24,272	30,000	-	(9,918)	44,354
Conservation/education	19,071	19,000	-	(2,900)	35,171
Capital projects	28,137	41,150	-	(69,287)	-
Non-appropriated perpetual donor restrictions investment return	-	-	403,949	-	403,949
Total	<u>\$ 72,877</u>	<u>\$ 102,150</u>	<u>\$ 403,949</u>	<u>\$ (90,273)</u>	<u>\$ 488,703</u>

Return objectives, strategies employed and spending policy

The Sanctuary utilizes a total return investment approach with its asset allocation diversified over multiple asset classes with the intent of exceeding the targeted spending rate over time as approved by the Board of Directors, while preserving the purchasing power of the Endowment. Target allocation percentages are established for various asset classes and are modified over time. Performance is measured against a composite benchmark of investment indices reflecting the target asset allocation. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Sanctuary to retain as a fund of perpetual durations. In accordance with generally accepted accounting principles, deficiencies of this nature will be absorbed by the net assets with donor perpetual restrictions of the Sanctuary and future gains be allocated to net assets with donor perpetual restrictions until such losses have been restored. There were no funds with deficiencies as of March 31, 2022 and March 31, 2021.

**WESTMORELAND SANCTUARY, INC.****Notes to Financial Statements (continued)  
March 31, 2022 and March 31, 2021****Note 7 – Paycheck Protection Program loan payable**

During 2020, the Sanctuary applied for and received a \$46,200 loan under the Paycheck Protection Program (“PPP”) which was a business loan program established by the Coronavirus Aid, Relief, and Economic Security Act. The Sanctuary recorded the loan proceeds as a liability until the loan was, in part or wholly, forgiven and the Sanctuary was legally released from having to repay the loan. Subject to the terms of the PPP loan, the Sanctuary was eligible for forgiveness of the loan proceeds in an amount equal to the total spent on qualifying expenditures as outlined in the agreement. The Sanctuary believes it has spent all of the proceeds in accordance with the terms of the PPP loan program and the loan was forgiven in its entirety during July 2021 and is reflected as a government grant on the statement of activities.

**Note 8 – Tax status**

The Sanctuary is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Sanctuary has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation within the meaning of Section 509(a)(1) of the Code and qualifies for the maximum charitable deduction for donors.