

WESTMORELAND SANCTUARY, INC.

**Financial Statements
for the years ended
March 31, 2023
and
March 31, 2022**

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, 2023 and March 31, 2022 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, 2023 and March 31, 2022 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'Nea McHenry & Donnelly LLP

January 23, 2024

WESTMORELAND SANCTUARY, INC.

Statement of Financial Position

Assets

	March 31	
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 46,791	\$ 68,074
Contributions receivable	62,523	44,585
Prepaid expenses	415	415
Investments, at fair value	6,491,117	7,755,166
Property and equipment, net	<u>2,997,013</u>	<u>1,308,276</u>
Total assets	<u>\$ 9,597,859</u>	<u>\$ 9,176,516</u>

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 15,155	\$ 17,613
Unearned revenue	<u>9,314</u>	<u>4,525</u>
Total liabilities	<u>24,469</u>	<u>22,138</u>

Net assets

Without donor restrictions		
Undesignated	2,826,012	1,456,348
Board-designated	<u>4,705,211</u>	<u>5,327,922</u>
Total without donor restrictions	7,531,223	6,784,270
With donor restrictions	<u>2,042,167</u>	<u>2,370,108</u>
Total net assets	<u>9,573,390</u>	<u>9,154,378</u>

Total liabilities and net assets	<u>\$ 9,597,859</u>	<u>\$ 9,176,516</u>
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See notes to financial statements.

WESTMORELAND SANCTUARY, INC.

**Statement of Activities
Year Ended March 31, 2023**

(with Summarized Comparative Information for the year ended March 31, 2022)

	2023			2022		
	Without Donor Restrictions	Board- Designated	Total	With Donor Restrictions	Total	Total
Support and revenue						
Contribution and grants	\$ 60,269	-	\$ 60,269	\$ 203,701	\$ 263,970	\$ 664,156
Government grant – PPP	-	-	-	-	-	46,200
Special events	51,218	-	51,218	-	51,218	71,700
Programming fees	85,846	-	85,846	-	85,846	72,540
Contributed non financial assets	1,003,688	-	1,003,688	-	1,003,688	8,605
Investment return (loss), net	-	(303,217)	(303,217)	(53,013)	(356,230)	917,373
Investment return designated for current operations	380,885	(319,494)	61,391	(61,391)	-	-
Store sales, rental, and other	7,277	-	7,277	-	7,277	11,675
Net assets released from restrictions	417,238	-	417,238	(417,238)	-	-
Total support and revenue	<u>2,006,421</u>	<u>(622,711)</u>	<u>1,383,710</u>	<u>(327,941)</u>	<u>1,055,769</u>	<u>1,792,249</u>
Expenses						
Program services	423,290	-	423,290	-	423,290	326,882
Supporting activities						
Management and general	171,794	-	171,794	-	171,794	123,455
Fund-raising	41,673	-	41,673	-	41,673	54,931
Total supporting activities	<u>213,467</u>	<u>-</u>	<u>213,467</u>	<u>-</u>	<u>213,467</u>	<u>178,386</u>
Total expenses	636,757	-	636,757	-	636,757	505,268
Increase (decrease) in net assets	1,369,664	(622,711)	746,953	(327,941)	419,012	1,286,981
Net assets, beginning of year	1,456,348	5,327,922	6,784,270	2,370,108	9,154,378	7,867,397
Net assets, end of year	\$ 2,826,012	\$ 4,705,211	\$ 7,531,223	\$ 2,042,167	\$ 9,573,390	\$ 9,154,378

See notes to financial statements.

WESTMORELAND SANCTUARY, INC.

**Statement of Activities
Year Ended March 31, 2022**

	2022			
	Without Donor Restrictions		With Donor Restrictions	
	Undesignated	Board-Designated	Total	Total
Support and revenue				
Contribution and grants	\$ 70,932	-	\$ 70,932	\$ 664,156
Government grant - PPP	46,200	-	46,200	46,200
Special events	71,700	-	71,700	71,700
Programming fees	72,540	-	72,540	72,540
Contributed non financial assets	8,605	-	8,605	8,605
Investment return, net	-	743,072	743,072	917,373
Investment return designated for current operations	223,719	(181,212)	42,507	-
Store sales, rental, and other	11,675	-	11,675	11,675
Net assets released from restrictions	93,613	-	93,613	-
Total support and revenue	<u>598,984</u>	<u>561,860</u>	<u>1,160,844</u>	<u>1,792,249</u>
Expenses				
Program services	<u>326,882</u>	-	<u>326,882</u>	<u>326,882</u>
Supporting activities				
Management and general	123,455	-	123,455	123,455
Fund-raising	54,931	-	54,931	54,931
Total supporting activities	<u>178,386</u>	-	<u>178,386</u>	<u>178,386</u>
Total expenses	<u>505,268</u>	-	<u>505,268</u>	<u>505,268</u>
Increase in net assets	93,716	561,860	655,576	1,286,981
Net assets, beginning of year	<u>1,362,632</u>	<u>4,766,062</u>	<u>6,128,694</u>	<u>7,867,397</u>
Net assets, end of year	<u>\$ 1,456,348</u>	<u>\$ 5,327,922</u>	<u>\$ 6,784,270</u>	<u>\$ 9,154,378</u>

See notes to financial statements.

WESTMORELAND SANCTUARY, INC.

Statement of Functional Expenses
Year Ended March 31, 2023
(with Summarized Comparative Information for the year ended March 31, 2022)

	2023				2022	
	Program Services		Supporting Activities		Total	Total
	Conservation	Education	Total	Management and General		
Salaries and wages	\$ 54,506	\$ 99,460	\$ 153,966	\$ 61,295	\$ 10,768	\$ 226,029
Payroll taxes and employee benefits	14,518	22,393	36,911	8,308	1,788	47,007
Insurance	6,195	11,304	17,499	6,967	1,224	25,690
Utilities	5,927	10,815	16,742	6,665	1,171	24,578
Maintenance and repairs	6,011	10,969	16,980	6,759	1,187	24,926
Professional and consultants fees	27,138	45,263	72,401	62,409	3,198	138,008
Conservation	28,378	-	28,378	-	-	28,378
Fundraising expense	-	-	-	-	18,932	18,932
Education	-	28,783	28,783	-	-	28,783
Office supplies and expense	3,862	7,047	10,909	4,343	763	16,015
Animal care	-	2,920	2,920	-	-	2,920
Payroll processing	1,307	2,385	3,692	1,470	258	5,420
Telephone and internet	662	1,209	1,871	745	131	2,747
Dues and subscriptions	12	22	34	14	2	50
Bank and online fees	1,021	1,863	2,884	1,148	201	4,233
Truck	887	1,618	2,505	997	175	3,677
Depreciation	4,221	7,702	11,923	4,746	834	17,503
Miscellaneous	5,272	9,620	14,892	5,928	1,041	21,861
Total	\$ 159,917	\$ 263,373	\$ 423,290	\$ 171,794	\$ 41,673	\$ 636,757
						\$ 505,268

See notes to financial statements.

WESTMORELAND SANCTUARY, INC.

Statement of Functional Expenses
Year Ended March 31, 2022

	2022					
	Program Services		Supporting Activities			
	Conservation	Education	Total	Management and General		
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
Education	-	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
Total	\$ 178,984	\$ 147,898	\$ 326,882	\$ 123,455	\$ 54,931	\$ 505,268

See notes to financial statements.

WESTMORELAND SANCTUARY, INC.

Statement of Cash Flows

	Year Ended March 31	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Increase in net assets	\$ 419,012	\$ 1,286,981
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation	17,503	12,294
Realized (gain) on investments	(511,787)	(334,010)
Unrealized loss (gain) on investments	969,877	(496,714)
PPP loan forgiveness	-	(46,200)
Contribution of conservation land	(1,000,000)	-
(Increase) in assets		
Contributions receivable	(17,938)	(37,278)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(2,458)	15,461
Deferred revenue	4,789	615
Net cash provided by (used in) operating activities	<u>(121,002)</u>	<u>401,149</u>
Cash flows from investing activities		
Proceeds from sale of investments	5,288,629	1,902,074
Purchases of investments	(4,482,670)	(2,265,088)
Purchases of property and equipment	<u>(706,240)</u>	<u>(52,411)</u>
Net cash provided by (used in) investing activities	<u>99,719</u>	<u>(415,425)</u>
Net (decrease) in cash and cash equivalents	(21,283)	(14,276)
Cash and cash equivalents, beginning of year	<u>68,074</u>	<u>82,350</u>
Cash and cash equivalents, end of year	<u>\$ 46,791</u>	<u>\$ 68,074</u>

See notes to financial statements.

WESTMORELAND SANCTUARY, INC.**Notes to Financial Statements
March 31, 2023 and March 31, 2022****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. Board-designated funds are a part of net assets without donor restrictions and can be used by the Board of Directors at their discretion. 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 to 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, 2023 and March 31, 2022****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, 2023 and March 31, 2022, 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. During the 2023 fiscal year, the Sanctuary removed fully depreciated assets totaling \$28,126 from the books and records.

Contributed non financial assets

The Sanctuary recognizes contributed nonfinancial assets within public support and revenue. Unless otherwise noted, the contributed nonfinancial assets do not have donor-imposed restrictions.

During the 2023 and 2022 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 \$3,688 and \$8,605 in the 2023 and 2022 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.

During the 2023 fiscal year, the Sanctuary purchased conservation land with an appraised value of \$1,300,000 at a cost of \$300,000. The Sanctuary's policy is to recognize contributions of conservation land as assets at the fair value of the appraisal when received. Based on this policy, the Sanctuary has recognized a \$1,000,000 contribution of conservation land, which is reflected in contributed non-financial assets on the statement of activities.

WESTMORELAND SANCTUARY, INC.**Notes to Financial Statements (continued)
March 31, 2023 and March 31, 2022****Note 2 – Summary of significant accounting policies (continued)**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.

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, 2023. 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, 2024, 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.

WESTMORELAND SANCTUARY, INC.

Notes to Financial Statements (continued)
March 31, 2023 and March 31, 2022

Note 3 – Liquidity and availability of financial assets (continued)

The following is a summary of the Sanctuary's financial assets as of March 31, 2023 and March 31, 2022 that are available for general use within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 46,791	\$ 68,074
Contributions receivable	62,523	44,585
Investments, at fair value	<u>6,491,117</u>	<u>7,755,166</u>
Sub-total	6,600,431	7,867,825
Add: investment return appropriated for next year's operations	383,171	380,885
Less: net assets with board designations	4,705,211	5,327,922
net assets with perpetual donor restrictions	<u>1,250,000</u>	<u>1,250,000</u>
Total	<u>\$ 1,028,391</u>	<u>\$ 1,670,788</u>

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

Note 4 – Investments, at fair value

As of March 31, 2023 and March 31, 2022, investments, at fair value, consist of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$1,107,729	\$1,269,548
U.S. Treasury notes	810,960	790,403
Corporate bonds	95,500	105,390
Common stocks	<u>4,476,928</u>	<u>5,589,825</u>
Total	<u>\$6,491,117</u>	<u>\$7,755,166</u>

Note 5 – Property and equipment, net

Property and equipment, net consist of the following at March 31, 2023 and March 31, 2022:

	<u>2023</u>	<u>2022</u>
Land	\$2,129,493	\$ 815,397
Land improvements	21,282	21,282
Nature Museum	382,465	382,465
Route 22 House	226,808	226,808
Bechtel Lake dock	25,688	25,688
Lodge	95,054	95,054
Furniture, fixtures and equipment	126,133	83,142
Construction in progress	<u>413,413</u>	<u>92,386</u>
Sub-total	3,420,336	1,742,222
Less: accumulated depreciation	<u>423,323</u>	<u>433,946</u>
Total	<u>\$2,997,013</u>	<u>\$1,308,276</u>

WESTMORELAND SANCTUARY, INC.**Notes to Financial Statements (continued)
March 31, 2023 and March 31, 2022****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.

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.

WESTMORELAND SANCTUARY, INC.

Notes to Financial Statements (continued)
March 31, 2023 and March 31, 2022Note 6 – Endowment and donor restricted net assetsInterpretation of relevant law (continued)

The following is a reconciliation of the activity in the funds for the years ending March 31, 2023 and March 31, 2022:

	Net assets			Total
	Without Donor Restrictions	With Donor Restrictions		
	Board-Designated Fund	Temporary Restrictions	Perpetual	
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 gain	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
Contributions and grants	-	203,701	-	203,701
Investment return				
Interest and dividends	116,981	27,728	-	144,709
Realized gains	429,297	82,490	-	511,787
Unrealized (loss)	(813,552)	(156,325)	-	(969,877)
Investment expenses	(35,943)	(6,906)	-	(42,849)
Sub-total	(303,217)	(53,013)	-	(356,230)
(Drawdowns)	(319,494)	(61,391)	-	(380,885)
Net assets released from restrictions	-	(417,238)	-	(417,238)
Balance at March 31, 2023	\$ 4,705,211	\$ 792,167	\$ 1,250,000	\$ 6,747,378

WESTMORELAND SANCTUARY, INC.

Notes to Financial Statements (continued)
March 31, 2023 and March 31, 2022**Note 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, 2023 and March 31, 2022:

	2023				
	Balance at March 31, 2022	Contributions and Grants	Net Investment Return	Net assets Released from Restrictions	Balance at March 31, 2023
Conservation	\$ 18,254	\$ 32,025	\$ -	\$ (18,437)	\$ 31,842
Education	61,177	41,940	-	(19,915)	83,202
Conservation/education	38,671	49,359	-	(57,859)	30,171
Capital projects	466,263	80,377	-	(321,027)	225,613
Non-appropriated perpetual donor restrictions investment return – net	535,743	-	(114,404)	-	421,339
Total	<u>\$ 1,120,108</u>	<u>\$ 203,701</u>	<u>\$ (114,404)</u>	<u>\$ (417,238)</u>	<u>\$ 792,167</u>
	2022				
	Balance at March 31, 2020	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 – net	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>

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, 2023 and March 31, 2022.

WESTMORELAND SANCTUARY, INC.**Notes to Financial Statements (continued)
March 31, 2023 and March 31, 2022****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.