

**NATURAL HISTORY MUSEUM  
OF THE ADIRONDACKS**

**FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statements of Financial Position December 31, 2020 and 2019	3
Statements of Activities for the Years Ended December 31, 2020 and 2019	4
Statement of Functional Expenses for the Year Ended December 31, 2020	5 - 6
Statement of Functional Expenses for the Year Ended December 31, 2019	7 - 8
Statements of Cash Flows for the Years Ended December 31, 2020 and 2019	9
Notes to Financial Statements	10 - 18



Pinto·Mucenski·Hooper  
Van House & Co.  
Certified Public Accountants, P.C.

42 Market Street  
P.O. Box 109  
Potsdam, NY 13676  
(315) 265-6080  
Fax: (315) 265-3530  
[www.pmhvcpa.com](http://www.pmhvcpa.com)

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Natural History Museum of the Adirondacks  
Tupper Lake, NY

We have audited the accompanying financial statements of Natural History Museum of the Adirondacks (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, 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*

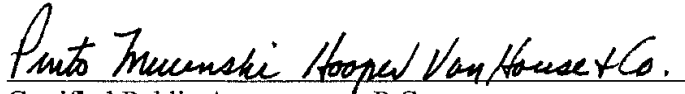
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Natural History Museum of the Adirondacks as of December 31, 2020 and 2019, 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.

  
Prato Mucenski Hooper Van House & Co.  
Certified Public Accountants, P.C.

April 7, 2021

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 367,113	\$ 704,629
Contributions Receivable, Net	28,000	43,000
Government Grants Receivable	183,466	16,636
Refundable Employee Retention Tax Credits	199,746	-
Merchandise Inventory	117,694	126,682
Prepaid Expenses and Other Assets	108,709	101,599
Total Current Assets	1,004,728	992,546
<b>OTHER ASSETS</b>		
Investments	8,785,231	7,607,363
Property Held for Sale	-	232,500
Contributions Receivable, Net (Net of Current Portion)	4,805	23,969
Total Other Assets	8,790,036	7,863,832
<b>FIXED ASSETS</b>		
Land	531,400	531,400
Building	33,886,609	33,873,627
Property Improvements	2,561,225	2,561,225
Furniture, Fixtures, and Equipment	2,966,154	2,959,238
Total Fixed Assets	39,945,388	39,925,490
Less Accumulated Depreciation	17,495,461	16,127,505
Net Fixed Assets	22,449,927	23,797,985
<b>TOTAL</b>	\$ 32,244,691	\$ 32,654,363
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 70,805	\$ 88,750
Accrued Expenses	46,327	56,414
Notes Payable (Current Portion)	100,000	157,446
Total Current Liabilities	217,132	302,610
<b>LONG-TERM LIABILITIES</b>		
Notes Payable (Net of Current Portion)	500,000	691,556
Total Liabilities	717,132	994,166
<b>NET ASSETS</b>		
Without Donor Restrictions	31,365,710	31,508,381
With Donor Restrictions	161,849	151,816
Total Net Assets	31,527,559	31,660,197
<b>TOTAL</b>	\$ 32,244,691	\$ 32,654,363

The accompanying notes are an integral part of these financial statements.

NATURAL HISTORY MUSEUM OF THE ADIRONDACKS

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Admissions	\$ 552,146	\$ -	\$ 552,146	\$ 1,196,205	\$ -	\$ 1,196,205
Contributions	1,946,976	18,560	1,965,536	1,948,918	5,665	1,954,583
Grants	426,264	119,050	545,314	315,421	227,061	542,482
Membership	254,170	-	254,170	383,648	-	383,648
Education	19,276	-	19,276	62,396	-	62,396
Paycheck Protection Program Loan Forgiveness	464,446	-	464,446	-	-	-
Federal Employee Retention Tax Credits	201,261	-	201,261	-	-	-
Auxiliary Services, Net of Cost of Goods Sold	37,395	-	37,395	347,055	-	347,055
Other Income	4,061	-	4,061	7,700	-	7,700
Net Assets Released from Restrictions for Operations	143,214	(143,214)	-	410,439	(410,439)	-
<b>Total Support and Revenue</b>	<b>4,049,209</b>	<b>(5,604)</b>	<b>4,043,605</b>	<b>4,671,782</b>	<b>(177,713)</b>	<b>4,494,069</b>
<b>OPERATING EXPENSES</b>						
<b>Program Expenses</b>						
Visitor Services	256,629	-	256,629	410,651	-	410,651
Animal Care	242,178	-	242,178	269,241	-	269,241
Exhibits	82,408	-	82,408	48,500	-	48,500
Education and Youth Programs	731,697	-	731,697	932,408	-	932,408
Facility Operations	863,039	-	863,039	896,551	-	896,551
Membership	147,658	-	147,658	191,573	-	191,573
<b>Total Program Expenses</b>	<b>2,323,609</b>	<b>-</b>	<b>2,323,609</b>	<b>2,748,924</b>	<b>-</b>	<b>2,748,924</b>
<b>Support Services</b>						
Administration	641,857	-	641,857	654,247	-	654,247
Development	421,168	-	421,168	482,796	-	482,796
Marketing	274,434	-	274,434	365,426	-	365,426
<b>Total Support Services</b>	<b>1,337,459</b>	<b>-</b>	<b>1,337,459</b>	<b>1,502,469</b>	<b>-</b>	<b>1,502,469</b>
<b>Total Operating Expenses</b>	<b>3,661,068</b>	<b>-</b>	<b>3,661,068</b>	<b>4,251,393</b>	<b>-</b>	<b>4,251,393</b>
Excess (Deficiency) of Support and Revenues over Operating Expenses	388,141	(5,604)	382,537	420,389	(177,713)	242,676
<b>NON-OPERATING REVENUE (EXPENSES)</b>						
Grants and Contributions Restricted for Capital Expenditures	3,000	-	3,000	107,778	-	107,778
Net Investment Return	913,433	15,637	929,070	1,160,127	9,566	1,169,693
Depreciation and Amortization	(1,370,103)	-	(1,370,103)	(1,369,479)	-	(1,369,479)
Interest Expense	(30,012)	-	(30,012)	(43,956)	-	(43,956)
Loss on Sale of Property	(47,130)	-	(47,130)	-	-	-
Net Assets Released from Restrictions for Capital Expenditures	-	-	-	3,530	(3,530)	-
<b>Total Non-Operating Revenue and Expenses</b>	<b>(530,812)</b>	<b>15,637</b>	<b>(515,175)</b>	<b>(142,000)</b>	<b>6,036</b>	<b>(135,964)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(142,671)</b>	<b>10,033</b>	<b>(132,638)</b>	<b>278,389</b>	<b>(171,677)</b>	<b>106,712</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>31,508,381</b>	<b>151,816</b>	<b>31,660,197</b>	<b>31,229,992</b>	<b>323,493</b>	<b>31,553,485</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 31,365,710</b>	<b>\$ 161,849</b>	<b>\$ 31,527,559</b>	<b>\$ 31,508,381</b>	<b>\$ 151,816</b>	<b>\$ 31,660,197</b>

The accompanying notes are an integral part of these financial statements.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**PROGRAM EXPENSES**

	Visitor Services	Animal Care	Exhibits	Education & Youth Programs	Facility Operations	Membership	Total Programs
Payroll	\$ 160,833	\$ 157,623	\$ 13,561	\$ 461,453	\$ 263,261	\$ 75,474	\$ 1,132,205
Payroll Taxes	13,954	12,708	1,244	38,548	20,769	4,360	91,583
Employee Benefits	41,455	33,390	366	63,760	60,140	25,461	224,572
Consultants and Professional Fees	-	10,670	47,950	71,557	110,051	-	240,228
Advertising and Promotion	-	-	-	150	-	-	150
Utilities	-	-	-	-	138,010	-	138,010
Repairs and Maintenance	10,774	-	2,542	5,646	108,333	956	128,251
Equipment and Supplies	2,227	25,161	31,916	5,424	76,509	112	141,349
Programs and Lectures	-	-	-	63,176	-	-	63,176
Travel	2,020	465	-	1,192	-	-	3,677
Meals and Event Entertainment	-	-	-	152	-	-	152
Insurance	-	-	-	-	60,729	-	60,729
Professional Affiliations	-	2,087	-	-	200	-	2,287
Training and Development	-	(15)	-	2,883	-	-	2,868
Research and Development	2,602	89	-	34	-	-	2,725
Printing and Postage	-	-	-	27	-	-	27
Member Benefits	-	-	-	-	-	29,013	29,013
Member Renewal and Acquisition Costs	-	-	-	-	-	8,151	8,151
Health and Safety	-	-	-	-	19,626	-	19,626
Vehicle Costs	-	-	-	-	5,411	-	5,411
Credit Card Fees	22,764	-	-	-	-	4,131	26,895
Salary and Indirect Cost Recovery	-	-	(15,171)	17,695	-	-	2,524
<b>Total</b>	<b>\$ 256,629</b>	<b>\$ 242,178</b>	<b>\$ 82,408</b>	<b>\$ 731,697</b>	<b>\$ 863,039</b>	<b>\$ 147,658</b>	<b>\$ 2,323,609</b>

The accompanying notes are an integral part of these financial statements.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<b>SUPPORT SERVICES</b>				<b>2020 Total Functional Expenses</b>
	<u>Administration</u>	<u>Development</u>	<u>Marketing</u>	<u>Total Support</u>	
Payroll	\$ 414,969	\$ 286,161	\$ 61,000	\$ 762,130	\$ 1,894,335
Payroll Taxes	28,478	24,933	4,818	58,229	149,812
Employee Benefits	82,399	27,893	12,303	122,595	347,167
Consultants and Professional Fees	34,801	12,969	23,525	71,295	311,523
Advertising and Promotion	552	1,280	169,209	171,041	171,191
Utilities	11,327	-	-	11,327	149,337
Repairs and Maintenance	5,179	21,160	-	26,339	154,590
Equipment and Supplies	12,798	-	-	12,798	154,147
Programs and Lectures	-	-	-	-	63,176
Travel	9,688	17,999	628	28,315	31,992
Meals and Event Entertainment	5,556	117	-	5,673	5,825
Insurance	5,190	-	-	5,190	65,919
Professional Affiliations	9,711	315	-	10,026	12,313
Training and Development	17,046	1,275	-	18,321	21,189
Research and Development	4,266	9,251	2,951	16,468	19,193
Printing and Postage	2,421	14,261	-	16,682	16,709
Member Benefits	-	-	-	-	29,013
Member Renewal and Acquisition Costs	-	-	-	-	8,151
Health and Safety	-	-	-	-	19,626
Vehicle Costs	-	-	-	-	5,411
Credit Card Fees	-	3,554	-	3,554	30,449
Salary and Indirect Cost Recovery	(2,524)	-	-	(2,524)	-
<b>Total</b>	<u>\$ 641,857</u>	<u>\$ 421,168</u>	<u>\$ 274,434</u>	<u>\$ 1,337,459</u>	<u>\$ 3,661,068</u>

The accompanying notes are an integral part of these financial statements.



**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**PROGRAM EXPENSES**

	Visitor Services	Animal Care	Exhibits	Education & Youth Programs	Facility Operations	Membership	Total Programs
Payroll	\$ 277,684	\$ 180,392	\$ -	\$ 455,094	\$ 248,440	\$ 101,589	\$ 1,263,199
Payroll Taxes	22,423	14,329	-	39,394	19,379	3,967	99,492
Employee Benefits	38,757	26,673	-	63,139	61,440	28,271	218,280
Consultants and Professional Fees	-	15,497	33,029	134,224	92,626	-	275,376
Advertising and Promotion	(770)	-	-	725	-	-	(45)
Utilities	-	-	-	-	149,371	-	149,371
Repairs and Maintenance	12,846	-	12,238	11,848	154,941	1,819	193,692
Equipment and Supplies	10,268	28,696	3,233	19,064	88,848	1,522	151,631
Programs and Lectures	-	-	-	156,999	-	-	156,999
Travel	1,998	324	-	29,798	70	-	32,190
Meals and Event Entertainment	-	-	-	688	-	-	688
Insurance	-	-	-	-	60,939	-	60,939
Professional Affiliations	-	1,163	-	-	-	-	1,163
Training and Development	-	650	-	13,257	251	-	14,158
Research and Development	390	1,517	-	48	-	-	1,955
Printing and Postage	-	-	-	75	-	-	75
Member Benefits	-	-	-	-	-	37,264	37,264
Member Renewal and Acquisition Costs	-	-	-	-	-	9,628	9,628
Health and Safety	-	-	-	-	10,744	-	10,744
Vehicle Costs	-	-	-	-	9,502	-	9,502
Credit Card Fees	47,055	-	-	-	-	7,513	54,568
Salary and Indirect Cost Recovery	-	-	-	8,055	-	-	8,055
<b>Total</b>	<b>\$ 410,651</b>	<b>\$ 269,241</b>	<b>\$ 48,500</b>	<b>\$ 932,408</b>	<b>\$ 896,551</b>	<b>\$ 191,573</b>	<b>\$ 2,748,924</b>

The accompanying notes are an integral part of these financial statements.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<b>SUPPORT SERVICES</b>				<b>2019</b>
	<b>Administration</b>	<b>Development</b>	<b>Marketing</b>	<b>Total Support</b>	<b>Total Functional Expenses</b>
Payroll	\$ 409,770	\$ 307,077	\$ 60,500	\$ 777,347	\$ 2,040,546
Payroll Taxes	27,442	28,612	4,811	60,865	160,357
Employee Benefits	84,118	32,069	12,281	128,468	346,748
Consultants and Professional Fees	26,060	4,022	31,350	61,432	336,808
Advertising and Promotion	1,639	1,277	251,454	254,370	254,325
Utilities	13,600	-	-	13,600	162,971
Repairs and Maintenance	4,141	21,460	-	25,601	219,293
Equipment and Supplies	24,647	-	-	24,647	176,278
Programs and Lectures	-	-	-	-	156,999
Travel	33,745	46,615	3,904	84,264	116,454
Meals and Event Entertainment	8,387	17,627	605	26,619	27,307
Insurance	5,220	-	-	5,220	66,159
Professional Affiliations	10,435	881	-	11,316	12,479
Training and Development	1,949	1,743	313	4,005	18,163
Research and Development	8,299	950	208	9,457	11,412
Printing and Postage	2,850	17,874	-	20,724	20,799
Member Benefits	-	-	-	-	37,264
Member Renewal and Acquisition Costs	-	-	-	-	9,628
Health and Safety	-	-	-	-	10,744
Vehicle Costs	-	-	-	-	9,502
Credit Card Fees	-	2,589	-	2,589	57,157
Salary and Indirect Cost Recovery	(8,055)	-	-	(8,055)	-
<b>Total</b>	<b>\$ 654,247</b>	<b>\$ 482,796</b>	<b>\$ 365,426</b>	<b>\$ 1,502,469</b>	<b>\$ 4,251,393</b>

The accompanying notes are an integral part of these financial statements.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (132,638)	\$ 106,712
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Depreciation and Amortization	1,370,103	1,369,479
Unrealized (Gains) Losses on Investments	(765,684)	(998,979)
Realized (Gains) Losses on Investments	(13,413)	(3,108)
Realized Loss on Sale of Property	47,130	-
Proceeds from Sale of Property	185,370	-
Contributions Receivable	34,164	134,775
Grants and Other Receivables	(366,576)	159,719
Merchandise Inventory	8,988	23,981
Other Current Assets	(9,258)	(835)
Accounts Payable	(17,945)	(50,525)
Accrued Expenses	(10,087)	17,764
Net Cash Provided by Operating Activities	330,154	758,983
<b>INVESTING ACTIVITIES</b>		
Redemption of Investments	757,000	656,400
Purchase of Investments	(1,155,771)	(987,988)
Purchase of Capital Assets	(19,897)	(87,371)
Net Investing Activities	(418,668)	(418,959)
<b>FINANCING ACTIVITIES</b>		
Repayment of Long-Term Debt	(249,002)	(154,606)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(337,516)	185,418
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	704,629	519,211
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 367,113	\$ 704,629

**SUPPLEMENTAL CASH FLOW DISCLOSURES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

<b>Cash Paid During the Year for</b>		
Interest Expense	\$ 30,012	\$ 43,956

The accompanying notes are an integral part of these financial statements.

## NATURAL HISTORY MUSEUM OF THE ADIRONDACKS

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Natural History Museum of the Adirondacks (the Center) is a non-profit organization as outlined under Section 501(c)(3) of the Internal Revenue Code and is classified as being a public charity. The Center opened on July 4, 2006, and operates under the registered name of The Wild Center.

The Center's mission is to ignite an enduring passion for the Adirondacks where people and nature thrive together and offer an example for the world.

#### **Basis of Presentation**

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles, which requires the Center to report information regarding its financial position and activities according to the following net asset classifications:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center's management and Board.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Center or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. The Center has a policy to report donor-restricted contributions whose restrictions are met in the same reporting period as support within net assets without donor restrictions.

#### **Revenue and Revenue Recognition**

The Center recognizes revenue from ticket sales at the time of admission. Membership dues, which are nonrefundable, are considered rights of admission and are recognized as revenue upon receipt, as the transfer of the promised admission is received at the point of payment and the member controls the determination of when to exercise it.

The Center recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The more significant estimates include calculations for allowance for uncollectible pledges, and asset useful lives for depreciation purposes.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

Cash consists of cash on premises generated through the course of daily activities and cash on deposit with banks. Cash equivalents represent money market funds or short-term savings instruments with original maturities of three months or less. Cash and cash equivalents that are a part of the Center's Board Designated Fund are included in investments.

**Concentrations of Credit Risk**

The Center maintains its cash and cash equivalents in various accounts with high credit quality financial institutions. These account balances may, at times, exceed federally insured limits. The Center has not experienced, nor does it anticipate, any losses with respect to such accounts.

**Investments**

Investments are carried at fair value in the statements of financial position. Investment return (including realized and unrealized gains and losses on investments) is included in the statement of activities on an accrual basis.

**Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The Center uses a fair value hierarchy that gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). The three levels of fair value hierarchy are:

**Level 1:** Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

**Level 2:** Other observable inputs, either directly or indirectly, including quoted prices for similar assets/liabilities in active markets; quoted prices for identical or similar assets in non-active markets; inputs other than quoted prices that are observable for the asset/liability; and, inputs that are derived principally from or corroborated by other observable market data.

**Level 3:** Unobservable inputs that cannot be corroborated by observable market data.

**Inventory**

Inventory consists of retail shop merchandise and is valued at the lower of average cost or market.

NATURAL HISTORY MUSEUM OF THE ADIRONDACKS

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Property, Plant, and Equipment**

Property, plant, and equipment acquired having a value of \$ 5,000 or more are capitalized at cost, or at fair market value if contributed. Depreciation is provided using the straight-line method over the estimated useful life of the asset as follows:

Buildings	40 years
Property Improvements	15-40 years
Furniture, Fixtures, and Improvements	3-10 years

**Advertising**

The Center uses advertising to promote its activities. Advertising is expensed as incurred. Advertising and promotion expense was \$ 171,191 and \$ 254,325 for the years ended December 31, 2020 and 2019, respectively.

**Income Tax**

The Center qualifies as a non-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. A similar exemption has also been obtained from New York State.

Accounting principles generally accepted in the United States of America require the Center to evaluate all significant tax positions. The Center believes their tax positions are appropriate based on current facts and circumstances. As of December 31, 2020, the Center does not believe that it has taken any positions that would require the recording of any tax liability or tax asset.

**Contributed Services**

The Center records contributed services if such services are of a professional nature or have enhanced a non-financial asset. There were no contributed services meeting those criteria reflected in the accompanying financial statements.

A substantial number of unpaid volunteers have made significant contributions of their time in the furtherance of the Center's programs. Such services do not meet the criteria for recognition as a contribution as described above and, therefore, their value is not reflected in the accompanying statements.

**Adoption of New Accounting Pronouncement**

For the year ended December 31, 2019, the Center adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenues from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Center's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Center recognizes revenue. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

For the year ended December 31, 2020, the Center adopted Accounting Standards Update (ASU) No. 2018-13 – *Fair Value Measurement*, to improve the effectiveness of disclosures in the notes to the financial statements.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Allocation of Functional Expenses**

Costs are directly charged to the functions they benefit. The financial statements do not report any categories of expenses that are attributable to more than one program or supporting functions. Therefore, an allocation of functional expenses is not required.

**Subsequent Events**

Management has reviewed and evaluated all events and transactions from January 1, 2021 through April 7, 2021, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date required to be recognized or disclosed in the accompanying financial statements.

**NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

Financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2020	2019
Cash and Cash Equivalents .....	\$ 367,113	\$ 704,629
Contributions Receivable.....	28,000	43,000
Government Grants Receivable.....	183,466	16,636
Refundable Employee Retention Tax Credits.....	199,746	-
Board Approved Appropriation from Endowments .....	212,800	207,000
Financial Assets Available to Meet General Expenditures over the Next Year..	\$ 991,125	\$ 971,265

As part of the Center’s liquidity management, it invests cash in excess of daily requirements in short-term investments. To help manage seasonal or unanticipated liquidity needs, the Center has a committed line of credit in the amount of \$ 1,000,000 which it can draw upon.

Additionally, the Center’s investment funds consist of funds designated by the Board for endowment (quasi-endowment funds) as well as donor-restricted endowments. Income from donor-restricted endowments is available for general operations, based on the Center’s spending policy. The quasi-endowment and donor-restricted endowments have a spending rate of up to 4% of the preceding five-year average market value of the funds. Included in the amounts above is the Board approved appropriation of \$ 212,800 from the funds for 2021 operations. Additional amounts could be made available from the quasi-endowment funds for operations at the discretion of the Board.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE C - CONTRIBUTIONS RECEIVABLE**

Pledges are recorded as contributions receivable at the present value of expected future cash flows. Discount factors are established in the year in which the contribution originated and are not subsequently adjusted. Allowances are recorded, when necessary, for estimated uncollectible pledges based on management's judgment, past collection experience, and other relevant factors. Management has determined that all pledges are collectible and no allowance has been recorded for 2020 and 2019. There were no new pledges in 2020 or 2019.

Contributions receivable as of December 31, 2020 and 2019, consist of the following:

	2020	2019
Unrestricted Uses .....	\$ 30,000	\$ 55,000
Restricted to Permanent Endowment .....	-	10,000
Restricted to Exhibit Project .....	3,000	3,000
Gross Contributions Receivable .....	33,000	68,000
Less Discount to Present Value .....	(195)	(1,031)
Less Allowance for Uncollectible Pledges.....	-	-
Contributions Receivable, Net.....	<u>\$ 32,805</u>	<u>\$ 66,969</u>

Contributions receivable as of December 31, 2020 and 2019, are due as follows:

	2020	2019
Within One Year.....	\$ 28,000	\$ 43,000
One to Five Years.....	5,000	25,000
Gross Contributions Receivable .....	<u>\$ 33,000</u>	<u>\$ 68,000</u>

**NOTE D - GOVERNMENT GRANTS RECEIVABLE**

Grant monies receivable from federal agencies and New York State for programs and capital projects totaled \$ 183,466 and \$ 16,636 at December 31, 2020 and 2019, respectively.



**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE E - INVESTMENTS**

Investment objectives and policies are established and monitored by the Center's Finance Committee of the Board of Trustees.

Investments are recorded at market value. These values were obtained from published market prices or as provided by the investment custodian. Investments at December 31, 2020 and 2019, consisted of the following:

	2020	2019
Money Market Funds .....	\$ 1,374,513	\$ 944,275
U.S. Treasury Notes and Bond Funds.....	1,290,857	1,563,688
Preferred Stock Equity Index Funds .....	537,753	307,979
Equity Index Funds.....	5,582,108	4,791,421
	\$ 8,785,231	\$ 7,607,363

At December 31, 2020 and 2019, all investments were considered Level 1 investments.

A summary of investment return and its classification in the statement of activities is as follows:

	2020	2019
Interest and Dividends .....	\$ 148,931	\$ 162,393
Realized Investment Gain (Loss).....	13,413	3,108
Unrealized Gains (Losses).....	765,684	998,979
	\$ 928,028	\$ 1,164,480

Classified as follows:

	2020	2019
Support and Revenues		
Without Donor Restrictions .....	\$ 912,391	\$ 1,154,914
With Donor Restrictions .....	15,637	9,566
	\$ 928,028	\$ 1,164,480

**NOTE F - LINE OF CREDIT**

The Center has a \$ 1,000,000 line of credit with a bank, with interest to be charged at the bank's prime rate. The interest rate as of December 31, 2020, was 3.25%. There were no borrowings against the line at December 31, 2020 and 2019. The line is reviewed annually and is due on demand.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE G - NOTE PAYABLE**

Notes payable consists of the following at December 31, 2020 and 2019:

	2020	2019
<p>Note payable dated July 28, 2017 to Community Bank, N.A. in the amount of \$ 750,000, secured by a continuing security interest in all personal property of the Center. In addition, the loan contains various covenants which, among others, requires the Center to maintain unrestricted Board Designated assets equal to the principal balance of the note and prohibits the creation of any lien, mortgage, or security interest upon the Center 's real property. Interest on the note is payable monthly at a fixed rate of 3.95%. The loan requires annual principal payments of \$ 100,000 in December of each year through 2026.</p>	\$ 600,000	\$ 700,000
<p>Note payable dated March 30, 2017 to Community Bank, N.A. in the amount of \$ 61,000, secured by equipment, payable in monthly installments of \$ 1,165, including interest of 5.4%. The balance on the note was paid in April 2020.</p>	-	29,528
<p>Note payable dated July 28, 2017 to Community Bank, N.A. in the amount of \$ 220,000, secured by a money market account at the bank, payable in monthly installments of \$ 4,064, including interest at prime less.75%. The balance on the note was paid in April 2020.</p>	-	119,474
<p>Less Current Portion</p>	<div style="border-top: 1px solid black;">100,000</div>	<div style="border-top: 1px solid black;">849,002</div> <div style="border-top: 1px solid black;">157,446</div>
<p>Long-term Portion</p>	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 500,000</div>	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 691,556</div>

Future principal payments on the note payable are as follows:

2021.....	\$	100,000
2022.....		100,000
2023.....		100,000
2024.....		100,000
2025.....		100,000
2026.....		100,000
		\$ 600,000

Interest charged to expense for the years ended December 31, 2020 and 2019, was \$ 30,012 and \$ 43,956, respectively.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE H - NET ASSETS**

Net assets consist of the following:

	2020	2019
Without Donor Restrictions		
Undesignated .....	\$ 22,498,988	\$ 23,504,533
Designated by Board for Endowment .....	6,473,588	5,585,965
Designated by Board for Operations .....	212,800	207,000
Designated by Board for Debt Repayment .....	38,956	268,092
Designated by Board for Future Operations .....	<u>2,141,378</u>	<u>1,942,791</u>
Total without Donor Restrictions .....	<u>31,365,710</u>	<u>31,508,381</u>
With Donor Restrictions		
Perpetual in Nature.....	132,045	97,847
Time-Restricted for Future Periods .....	<u>29,804</u>	<u>53,969</u>
Total with Donor Restrictions.....	<u>161,849</u>	<u>151,816</u>
Total Net Assets.....	<u>\$ 31,527,559</u>	<u>\$ 31,660,197</u>

Net assets released from donor restrictions are as follows:

	2020	2019
For operations:		
Satisfaction of Purpose Restrictions ....	\$ 119,050	\$ 348,585
Passage of Time Restrictions .....	<u>24,164</u>	<u>61,854</u>
Total for Operations .....	143,214	410,439
Capital Assets Placed in Service .....	<u>-</u>	<u>3,530</u>
Total Net Assets with Donor Restrictions Released.....	<u>\$ 143,214</u>	<u>\$ 413,969</u>

**NOTE I - ENDOWMENT FUNDS**

In September 2010, the State passed the New York Prudent Management of Institutional Funds Act (“NYPMIFA”), its version of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). All not-for-profit organizations formed in New York must apply this law. NYPMIFA only concerns itself with donor-restricted endowments. Currently, the Center has \$ 93,826 of donor-restricted endowment funds. The Center has investment policies and procedures to comply with NYPMIFA requirements.

Endowment, restricted and board-designated funds are established for a variety of purposes. Such funds can include both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The primary financial objective of such funds is to provide support for the Center’s annual operation, and to provide funding for certain non-operating activities, including capital needs, as such needs or opportunities may arise.

**NATURAL HISTORY MUSEUM OF THE ADIRONDACKS**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE I - ENDOWMENT FUNDS (Continued)**

In order to accomplish this financial objective, the primary investment objective over the long-term is to generate an average total return equal to the Center's spending policy, plus an amount sufficient to fund investment-related expenses, plus inflation. While this is the Center's long-term objective, it is recognized that due to market circumstances the Center may not be able to achieve this objective in a particular year or years, and may exceed this objective in other years.

In order to meet the Center's primary investment objective while also maintaining prudent levels of risk and liquidity, the Center maintains a highly diversified investment portfolio.

Changes in Endowment Net Assets for the years ended December 31, 2020 and 2019 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, January 1, 2019	\$ 5,316,602	\$ 73,316	\$ 5,389,918
Investment Return, Net	1,112,763	9,566	1,122,329
Contributions	20,000	5,665	25,665
Appropriation of Endowment Assets for Operations	<u>(656,400)</u>	<u>-</u>	<u>(656,400)</u>
Endowment Net Assets, December 31, 2019	5,792,965	88,547	5,881,512
Investment Return, Net	865,955	15,637	881,592
Contributions	234,468	18,560	253,028
Appropriation of Endowment Assets for Operations	<u>(207,000)</u>	<u>-</u>	<u>(207,000)</u>
Endowment Net Assets, December 31, 2020	<u>\$ 6,686,388</u>	<u>\$ 122,744</u>	<u>\$ 6,809,132</u>

**NOTE J - RETIREMENT PLAN**

The Center sponsors a Savings Incentive Match Plan covering substantially all of its employees. Contributions are determined by an employer match of participating employees' contributions up to 3% of compensation, and totaled \$ 45,952 in 2020 and \$ 47,786 in 2019.

**NOTE K - FUNDRAISING EXPENSES**

Fundraising expenses are shown as Development in the accompanying Statements of Activities. The total fundraising expenses for the years ended December 31, 2020 and 2019, were \$ 421,168 and \$ 482,796, respectively.

**NOTE L - RECLASSIFICATIONS**

Certain amounts in the 2019 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.