

RIVEREDGE NATURE CENTER, INC.  
NEWBURG, WISCONSIN

FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2024 AND 2023

RIVEREDGE NATURE CENTER, INC.  
NEWBURG, WISCONSIN

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Statements of Financial Position	4
Statements of Activities	5 - 6
Statements of Functional Expenses	7 - 8
Statements of Cash Flows	9
Notes to Financial Statements	10
Supplementary Information	
Schedule 1 – Statement of Financial Position by Fund	30
Schedule 2 – Statement of Activities by Fund	31
Note to Supplementary Information	32

# KRAUSE & ASSOCIATES, S.C.

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## Independent Auditor's Report

Board of Directors  
Riveredge Nature Center, Inc.  
Newburg, Wisconsin

### **Opinion**

We have audited the accompanying financial statements of Riveredge Nature Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 Riveredge Nature Center, Inc. as of June 30, 2024 and 2023, 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 audit 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 Riveredge Nature Center, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Riveredge 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 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, including omissions, 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 Riveredge 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 Riveredge 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Financial Position by Fund and Statement of Activities by Fund are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Krause & Associates, SC  
Grafton, Wisconsin  
November 19, 2024

RIVEREDGE NATURE CENTER, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 275,034	\$ 469,867
Certificate of deposit	-	23,317
Contributions and grants receivable	651,680	427,025
Accounts receivable	41,260	11,444
Inventory	31,106	46,402
Prepaid expenses	31,651	47,653
Finance lease right of use asset	15,594	23,492
Investments	<u>5,341,327</u>	<u>5,068,245</u>
Subtotal	6,387,652	6,117,445
<b>PROPERTY AND EQUIPMENT</b>		
Land	1,825,605	1,825,605
Buildings and building improvements	4,701,308	4,685,788
Furniture and equipment	694,882	683,898
Vehicles	<u>55,046</u>	<u>55,046</u>
Total property and equipment	7,276,841	7,250,337
Accumulated depreciation	<u>(2,713,678)</u>	<u>(2,473,211)</u>
Property and equipment, net	<u>4,563,163</u>	<u>4,777,126</u>
<b>TOTAL ASSETS</b>	<b><u>\$10,950,815</u></b>	<b><u>\$10,894,571</u></b>
<u>LIABILITIES AND NET ASSETS</u>		
<b>LIABILITIES</b>		
Accounts payable	\$ 31,348	\$ 40,733
Accrued payroll and payroll liabilities	53,686	48,525
Deferred revenue	282,134	216,967
Finance lease liability	<u>16,081</u>	<u>23,708</u>
<b>TOTAL LIABILITIES</b>	<b><u>383,249</u></b>	<b><u>329,933</u></b>
<b>NET ASSETS</b>		
Without donor restrictions	6,490,828	6,765,431
With donor restrictions	<u>4,076,738</u>	<u>3,799,207</u>
<b>TOTAL NET ASSETS</b>	<b><u>10,567,566</u></b>	<b><u>10,564,638</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$10,950,815</u></b>	<b><u>\$10,894,571</u></b>

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

RIVEREDGE NATURE CENTER, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions:			
General contributions	\$ 181,450	\$ 432,718	\$ 614,168
Memorials and bequests	13,509	-	13,509
Membership contributions	67,595	-	67,595
In-kind contributions	14,596	-	14,596
Special program support	223,763	146,709	370,472
Program fees	306,258	-	306,258
School programs	101,198	-	101,198
Rental income	149,236	-	149,236
Merchandise sales	46,167	-	46,167
Less: Cost of sales	(30,412)	-	(30,412)
Special event revenue	149,192	-	149,192
Less: Direct benefit to donor costs	(12,936)	-	(12,936)
Investment income, net of investment fees	365,725	210,894	576,619
Released from restrictions	512,790	(512,790)	-
Total revenue & support	2,088,131	277,531	2,365,662
<b>EXPENSES</b>			
Program services:			
Land conservation	539,375		539,375
Environmental education	1,409,766	-	1,409,766
Total program services	1,949,141	-	1,949,141
Supporting services:			
General and administrative	215,158	-	215,158
Fundraising and development	198,435	-	198,435
Total supporting services	413,593	-	413,593
Total expenses	2,362,734	-	2,362,734
Changes in net assets	(274,603)	277,531	2,928
Beginning net assets	6,765,431	3,799,207	10,564,638
Ending net assets	\$ 6,490,828	\$ 4,076,738	\$ 10,567,566

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

RIVEREDGE NATURE CENTER, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions:			
General contributions	\$ 307,390	\$ 201,360	\$ 508,750
Memorials and bequests	46,858	-	46,858
Membership contributions	72,593	-	72,593
In-kind contributions	398,153	-	398,153
Special program support	270,456	319,083	589,539
Program fees	300,329	-	300,329
School programs	109,429	-	109,429
Rental income	161,962	-	161,962
Merchandise sales	57,462	-	57,462
Less: Cost of sales	(33,757)	-	(33,757)
Special event revenue	183,505	-	183,505
Less: Direct benefit to donor costs	(19,979)	-	(19,979)
Investment income, net of investment fees	330,552	150,473	481,025
Released from restrictions	585,636	(585,636)	-
Total revenue & support	2,770,589	85,280	2,855,869
<b>EXPENSES</b>			
Program services:			
Land conservation	660,491		660,491
Environmental education	1,469,986	-	1,469,986
Total program services	2,130,477	-	2,130,477
Supporting services:			
General and administrative	179,842	-	179,842
Fundraising and development	163,205	-	163,205
Total supporting services	343,047	-	343,047
Total expenses	2,473,524	-	2,473,524
Changes in net assets	297,065	85,280	382,345
Beginning net assets	6,468,366	3,713,927	10,182,293
Ending net assets	\$ 6,765,431	\$ 3,799,207	\$ 10,564,638

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

RIVEREDGE NATURE CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024

	Program Services		Supporting Services		Total
	Land conservation	Environmental education	General & administrative	Fundraising & development	
Advertising	\$ 2,857	\$ 8,001	\$ -	\$ 571	\$ 11,429
Bookstore	25	197	25	-	247
Buildings and grounds supplies/maintenance	45,233	41,745	1,030	861	88,869
Cost of bookstore sales	-	-	30,412	-	30,412
Depreciation	24,047	175,541	33,665	7,214	240,467
Dues and memberships	-	-	-	-	-
Education	-	24,117	-	6,761	30,878
Events	-	-	-	12,936	12,936
Fundraising	-	781	369	-	1,150
Insurance	8,261	74,349	3,354	-	85,964
Marketing and public relations	2,751	7,704	-	550	11,005
Miscellaneous	29,211	44,693	10,764	2,272	86,940
Office equipment and maintenance	11,266	17,169	1,675	1,365	31,475
Office supplies	-	-	1,265	888	2,153
Payroll expenses:					-
Salaries and wages	310,432	722,667	107,030	136,871	1,277,000
Employee benefits	53,460	124,447	18,428	23,574	219,909
Payroll taxes	23,615	54,972	8,140	10,414	97,141
Postage and shipping	243	1,578	121	485	2,427
Printing	440	2,859	660	440	4,399
Professional fees	3,810	44,160	24,354	572	72,896
Professional development/staff recruitment	180	1,542	-	80	1,802
Promotional materials	2,398	6,715	-	480	9,593
Property taxes	6,442	-	-	-	6,442
Telephone	2,576	12,020	859	1,717	17,172
Travel	3,634	23,444	21	2,301	29,400
Utilities	8,494	21,065	3,398	1,019	33,976
<b>Total expenses</b>	<b>539,375</b>	<b>1,409,766</b>	<b>245,570</b>	<b>211,371</b>	<b>2,406,082</b>
Less expenses net with revenues:					
Cost of sales	-	-	(30,412)	-	(30,412)
Cost of special events	-	-	-	(12,936)	(12,936)
	<b>\$ 539,375</b>	<b>\$ 1,409,766</b>	<b>\$ 215,158</b>	<b>\$ 198,435</b>	<b>\$ 2,362,734</b>

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



RIVEREDGE NATURE CENTER, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services		Supporting Services		Total
	Land conservation	Environmental education	General & administrative	Fundraising & development	
Advertising	\$ 548	\$ 1,534	\$ -	\$ 110	\$ 2,192
Bookstore	31	246	31	-	308
Buildings and grounds supplies/maintenance	151,072	151,931	1,193	1,032	305,228
Cost of bookstore sales	-	-	33,757	-	33,757
Depreciation	21,448	156,567	30,026	6,434	214,475
Dues and memberships	-	84	-	-	84
Education	19,346	8,515	-	5,934	33,795
Events	-	-	-	19,979	19,979
Fundraising	767	296	245	-	1,308
Insurance	7,526	67,733	3,354	-	78,613
Marketing and public relations	2,990	8,371	-	598	11,959
Miscellaneous	27,029	31,867	887	7,796	67,579
Office equipment and maintenance	26,077	38,063	2,261	2,217	68,618
Office supplies	-	-	1,524	328	1,852
Payroll expenses:					-
Salaries and wages	302,501	668,237	103,340	108,006	1,182,084
Employee benefits	44,707	98,761	15,269	15,968	174,705
Payroll taxes	22,626	49,982	7,728	8,081	88,417
Postage and shipping	337	2,191	169	674	3,371
Printing	1,028	6,685	1,543	1,028	10,284
Professional fees	3,874	121,187	5,036	581	130,678
Professional development/staff recruitment	10	1,204	3,239	-	4,453
Promotional materials	3,449	9,658	-	690	13,797
Property taxes	4,685	-	-	-	4,685
Telephone	2,445	11,411	815	1,630	16,301
Travel	10,074	15,818	13	1,147	27,052
Utilities	7,921	19,645	3,169	951	31,686
<b>Total expenses</b>	<b>660,491</b>	<b>1,469,986</b>	<b>213,599</b>	<b>183,184</b>	<b>2,527,260</b>
Less expenses net with revenues:					
Cost of sales	-	-	(33,757)	-	(33,757)
Cost of special events	-	-	-	(19,979)	(19,979)
	<b>\$ 660,491</b>	<b>\$ 1,469,986</b>	<b>\$ 179,842</b>	<b>\$ 163,205</b>	<b>\$ 2,473,524</b>

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

RIVEREDGE NATURE CENTER, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 2,928	\$ 382,345
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation and amortization	240,467	214,475
In-kind donation of property capitalized	-	(360,000)
Realized and unrealized (gain) loss on investments	(573,082)	(473,337)
Amortization of discount on finance lease liability	271	217
(Increase) decrease in contributions and grants receivable	(224,655)	21,640
(Increase) decrease in accounts receivable	(29,816)	91,980
(Increase) decrease in inventory	15,296	(638)
(Increase) decrease in prepaid expenses	16,002	245,927
Increase (decrease) in accounts payable	(9,385)	5,136
Increase (decrease) in accrued payroll and payroll liabilities	5,161	2,950
Increase (decrease) in deferred revenue	<u>65,167</u>	<u>23,840</u>
Net cash provided by (used in) operating activities	<u>(491,646)</u>	<u>154,535</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from certificates of deposit	23,317	34,952
Proceeds from sale of investments	2,453,676	6,564,771
Purchases of investments	(2,153,676)	(6,931,570)
Purchase of property and equipment	<u>(26,504)</u>	<u>(921,042)</u>
Net cash provided by (used in) investing activities	<u>296,813</u>	<u>(1,252,889)</u>
Net Increase (decrease) in cash and cash equivalents	<u>(194,833)</u>	<u>(1,098,354)</u>
Cash and cash equivalents, beginning of year	<u>469,867</u>	<u>1,568,221</u>
Cash and cash equivalent, end of year	<u>\$ 275,034</u>	<u>\$ 469,867</u>
<b>Supplemental cash flow information:</b>		
Cash paid during the year for interest	<u>\$ -</u>	<u>\$ -</u>
In-kind contributions received	<u>\$ 14,596</u>	<u>\$ 398,153</u>

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

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Organization and business activity

Riveredge Nature Center, Inc. (Center) is a non-profit organization and is incorporated under the laws of the State of Wisconsin. The Center's mission is to conduct environmental educational programs, conserve the natural environment for long-term benefits, and further natural environment research through organized scientific observation and experiments. The financial statements are prepared on the accrual basis of accounting.

2. Cash and cash equivalents

The Center considers all highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

3. Inventory

Inventory, which consists primarily of books and clothing held for resale, is stated at the lower of cost or net realizable value, with cost being calculated on a first in - first out basis.

4. Contributions and grants receivable

The Center records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The Center determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions and grants receivable are written off when deemed uncollectable. At June 30, 2024 and 2023, management determined that no allowance for uncollectible contributions receivable was required.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Accounts receivable and allowance for credit losses

Accounts receivable are stated at the amount of consideration from customers, of which the Center has an unconditional right to receive and consist of noninterest-bearing amounts due for services. The Center provides its services to a broad range of customers. The Center grants credit in the normal course of business to customers and recognizes an expected allowance for credit losses to reduce credit risk. At each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are evaluated individually when they do not share similar risk characteristics which could exist in circumstances where amounts are considered at risk or uncollectible. The allowance estimate is derived from a review of the Center's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Center. The Center believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Center's customers have remained fairly constant for many years. Accounts receivable as of June 30, 2024, 2023, and 2022 were \$41,260, \$11,444 and \$103,424, respectively.

The Center writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in revenue. Write-offs of accounts totaled \$10,000 and \$0 for the years ended June 30, 2024 and 2023, respectively.

Receivables from contracts with customers are reported as accounts receivable in the accompanying statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position. As of June 30, 2024 and 2023, the Center had \$282,134 and \$216,967 deferred revenue, respectively.

6. Investments

The Center records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Investments - continued

Investment securities, in general, are inherently subject to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and statements of activities.

7. Property and equipment

Property and equipment are recorded at cost or fair market value if donated. The Center's policy is to capitalize all tangible assets which separately or in the aggregate have an acquisition cost of \$5,000 or greater. Major additions and improvements are capitalized. Property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation expense for the years ended June 30, 2024 and 2023 was \$240,467 and \$214,475, respectively.

The Center reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2024 and 2023.

8. Net assets

The Center follows the accrual method of accounting wherein revenues and expenses are recorded in the period earned or incurred. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Net assets – continued

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Center reports contributions restricted by donors as increases 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-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the 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.

9. Revenue and Revenue Recognition

The Center provides program activities to individuals and schools, rents its facilities to individuals or other organizations, and sells merchandise in its gift shop. These activities are deemed to be exchange transactions and provide a fixed fee for services that is paid either at the time of the activity or in advance of the activity. In either case, these activities have performance obligations satisfied at a point in time when the activity is held. Program fees do not give rise to variable consideration such as rebates that would otherwise decrease the transaction price. For programs and rentals where the deposit is received in advance of the date it occurs, deferred revenue is recorded. The balance of deferred revenue is \$282,134 and \$216,967 at June 30, 2024 and 2023, respectively.

The Center offers memberships for purchase. In general, membership in the Center provides minimal discounts to programming and the bookstore. The discounts could be available to the general public. Membership to the Center is renewed on an annual basis. The Center does not refund membership dues. Due to the de minimis nature of the benefits received, the Center considers membership dues as contributions.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

9. Revenue and Revenue Recognition - continued

The Center hosts fundraising activities. The Center also provides the opportunity for sponsors to promote their own businesses during the events. Registration and sponsorships for the Center's events opens months before the events are scheduled to be held. Registrations and sponsorships collected in advance of the events are deferred as contract liabilities until earned when the event is held at which point the revenue is recognized. At June 30, 2024 and 2023, there were no assets or obligations related to revenue from contracts with customers included in deferred revenue.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or 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 substantially met. As of June 30, 2024 and 2023, the Center has two cost-reimbursed grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. Consequently, as of June 30, 2024 and 2023, cost reimbursed grants totaling \$136,969 and \$76,590, respectively have not been recognized in the accompanying financial statements because qualifying expenditures have not yet been incurred. No amounts have been received in advance under the grants.

Revenues are reported as increases in net assets without restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions. Gains and losses on investments are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions recognized on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as released from restrictions.

10. Advertising costs

Advertising costs are charged to general operations as incurred. Advertising costs totaled \$11,429 and \$2,192 for the years ended June 30, 2024 and 2023, respectively.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Donated services and in-kind contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Center records donated professional services at the respective fair values of the services received. See note L.

12. Allocation of functional expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, salaries and wages, benefits, payroll taxes, professional services, office expenses, supplies, insurance, and other, which are allocated on the basis of estimates of time and effort.

13. Use of estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

14. Income taxes

The Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Center evaluates its tax positions and assesses their uncertainty, if any, through review and application of various sources of tax authority including statutes, regulations, rulings, court cases and widely held administrative practices.

The Center informational returns are subject to examination by the IRS, generally for three years after they were filed. Management believes that no uncertain tax positions exist for the Center at June 30, 2024 and 2023. The Center has not incurred any interest or penalties for income taxes for the years ended June 30, 2024 and 2023.



RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

15. New Accounting Standards

Effective July 1, 2023, the Center adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326, Financial Instruments - Credit Losses, which changes the method of measuring credit losses for most financial assets and certain other instruments that are not measured at fair value through change in net assets. The standard changes the measurement of credit losses from the incurred loss model to the expected loss model and requires enhanced disclosures to provide information for analysis of the Center's exposure to credit risk and the measurement of credit losses. Financial assets held by the Center that are subject to the new standard consist primarily of accounts receivable. The impact of the adoption is not considered to be material to the financial statements and primarily resulted in enhanced disclosures.

16. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through November 19, 2024, which is the date that the financial statements were available to be issued.

B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date of June 30, 2024 and 2023, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 275,034	\$ 469,867
Certificate of deposit	-	23,317
Contributions and grants receivable	651,680	427,025
Accounts receivable	41,260	11,444
Investments	<u>5,341,327</u>	<u>5,068,245</u>
	6,309,301	5,999,898
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(4,086,738)	(3,799,208)
Amounts unavailable without Board approval	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,222,563</u>	<u>\$ 1,200,690</u>

The Center maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

C - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are to be collected as follows as of June 30, 2024 and 2023:

	2024	2023
Within one year	\$ 606,680	\$ 392,025
In one to five years	45,000	35,000
Over five years	-	-
	\$ 651,680	\$ 427,025

Some unconditional promises to give at June 30, 2024 and 2023 are receivable over one to two years but are not recorded at present value due to the minor impact of the calculated discount.

D – FAIR VALUE MEASUREMENT AND DISCLOSURES

The Center reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Center can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

D – FAIR VALUE MEASUREMENT AND DISCLOSURES – CONTINUED

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of the Center’s investment assets are classified within Level 1 because they comprise exchange traded funds with readily determinable fair values based on daily redemption values. The Center invests in corporate bonds traded in the financial markets. Those bonds and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2.

Assets that were accounted for at fair value on a recurring basis as of June 30, 2024 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 488,272	\$ -	\$ -	\$ 488,272
Bonds	-	900,000	-	900,000
Mutual funds	<u>3,953,055</u>	<u>-</u>	<u>-</u>	<u>3,953,055</u>
Total	<u>\$ 4,441,327</u>	<u>\$ 900,000</u>	<u>\$ -</u>	<u>\$ 5,341,327</u>

Assets that were accounted for at fair value on a recurring basis as of June 30, 2023 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 196,526	\$ -	\$ -	\$ 196,526
Mutual funds	<u>4,871,719</u>	<u>-</u>	<u>-</u>	<u>4,871,719</u>
Total	<u>\$ 5,068,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,068,245</u>

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

E – ENDOWMENT FUNDS

The Center's endowments consist of three funds established for a variety of purposes. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Center's endowments arose from donor-restricted gifts.

The Center classifies as permanently restricted net assets the original value of gifts donated as permanent endowments and the original value of subsequent gifts donated to permanent endowments. Accumulated amounts in excess of gift values have a donor-designated purpose for two of the funds; for one of the funds, there is no donor restriction on amounts in excess of gift value (see Note G). For the two funds with a donor-restriction on amounts in excess of gift value, these amounts are classified as donor restricted net assets until appropriated for expenditure by the Center in a manner consistent with the donor-designated purpose of the fund.

The Center's Board of Directors has interpreted the Wisconsin Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2024 and 2023, there were no such donor stipulations. As a result of this interpretation, the Center retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Center
- (7) The investment policies of the Center

*Funds with Deficiencies.* From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Center has interpreted UPMIFA to permit

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

E – ENDOWMENT FUNDS – CONTINUED

spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2024 and 2023, there were no underwater endowment funds.

Endowment net asset composition by type of fund at June 30, 2024 consists of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
Original donor-restricted gift amount amount and amounts required to be maintained in perpetuity by donor	-	2,600,753	2,600,753
Accumulated investment gains	<u>148,858</u>	<u>460,180</u>	<u>609,038</u>
	<u>\$ 148,858</u>	<u>\$ 3,060,933</u>	<u>\$ 3,209,791</u>

Endowment net asset composition by type of fund at June 30, 2023 consists of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds			
Original donor-restricted gift amount amount and amounts required to be maintained in perpetuity by donor	-	2,600,753	2,600,753
Accumulated investment gains	<u>9,520</u>	<u>328,322</u>	<u>337,842</u>
	<u>\$ 9,520</u>	<u>\$ 2,929,075</u>	<u>\$ 2,938,595</u>

Changes in endowment net assets for the year ended June 30, 2024 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 9,520	\$ 2,929,075	\$ 2,938,595
Investment return, net	222,929	210,894	433,823
Contributions and transfers			
Appropriation of endowment Asset for expenditure	<u>(83,591)</u>	<u>(79,036)</u>	<u>(162,627)</u>
Endowment net assets, end of year	<u>\$ 148,858</u>	<u>\$ 3,060,933</u>	<u>\$ 3,209,791</u>

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

E – ENDOWMENT FUNDS – CONTINUED

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ (65,476)	\$ 2,858,200	\$ 2,792,724
Investment return, net	159,230	150,474	309,704
Contributions and transfers			
Appropriation of endowment Asset for expenditure	<u>(84,234)</u>	<u>(79,599)</u>	<u>(163,833)</u>
Endowment net assets, end of year	<u>\$ 9,520</u>	<u>\$ 2,929,075</u>	<u>\$ 2,938,595</u>

Endowment Objectives and Related Investment Strategies and Spending Policies  
the Center has established investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for the purposes of the endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity or for any donor-specified period. Under asset allocation policies adopted and implemented by the Finance Committee of the Board, the Center identifies authorized classes of assets and the percentage ranges they will represent of the total portfolio in order to provide diversification of assets in an effort to preserve capital and produce a reasonable, risk-adjusted return to the funds. The Finance Committee, at least annually, reviews investment performance against stated objectives and rebalances investment portfolio assets back to the asset allocation ranges.

The Center's goal is stable real returns by maintaining a balanced portfolio that seeks to provide a long-term return of 5% net of investment costs. The Center accepts that actual returns in any given year will vary. Annually the Center may budget and transfer to operations a portion of the balance in the endowment funds. Budgeting for transfers uses a formula that allows up to 5% of the rolling three-year average December 31st market value of the endowment funds to be transferred to operations in the next fiscal year. The amount collectively budgeted for transfer, as well as the allocation of the amount among the funds, is as determined by the Center to be prudent for the uses, benefits, purposes and duration for which the endowment funds were established. The Center seeks to always maintain the fair value of the collective assets associated with the endowment funds at or above a baseline defined as the amount that the Center classifies as permanently restricted net assets.

RIVEREDGE NATURE CENTER, INC.  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 JUNE 30, 2024 AND 2023

E – ENDOWMENT FUNDS – CONTINUED

However, the Center's prudent investment and spending decisions may at times result in the fair value of assets associated with an individual endowment fund falling below the amount that the Center classifies as that fund's baseline. All transfers of endowment funds to operations must be approved by the Board of Directors. There are no loans from the funds allowed to support the Center's operations.

The Center evaluates the investment and spending policies for its endowment assets in relation to the state of Wisconsin's adoption of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Center believes that its investment policies are in conformity with state law and will allow the Center to maintain the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

F – REVOLVING LINE OF CREDIT

The Center renewed its agreement for an unsecured available \$1,500,000 line of credit with Commerce State Bank effective April 30, 2022 with an expiration date of April 30, 2025. Interest rate on the borrowing is 7.75% and 7.50% at June 30, 2024 and 2023, respectively, with interest payable monthly. There were no borrowings outstanding on the line of credit at the years ended June 30, 2024 and 2023. The line of credit is payable on demand.

G – NET ASSETS

The Center's net assets without donor restrictions is comprised of undesignated and Board designated amounts for the following purposes at June 30, 2024 and 2023:

	2024	2023
Undesignated	\$ 927,666	\$ 988,305
Board designated for preservation	1,000,000	1,000,000
Investment in property	4,563,162	4,777,126
	\$ 6,490,828	\$ 6,765,431

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

G – NET ASSETS – CONTINUED

Contributions received are recorded as donor restricted net assets depending on the existence and or nature of any donor-imposed restrictions. As restrictions are met and funds expended, assets are released from restrictions.

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Purpose restriction:		
Land conservation	\$ 120,889	\$ 165,313
Environmental education	233,237	252,794
Other donor designated uses	10,000	25,000
Promoting and continuing the educational Legacy of Andy Larson (endowment income)	443,025	317,994
Maintenance and upkeep of the East Property Location (endowment income)	17,154	10,328
Restrictions due to timing	<u>651,680</u>	<u>427,025</u>
Subtotal	1,475,985	1,198,454
Endowment – perpetual in nature:		
Jane B. Pettit Fund	1,500,000	1,500,000
Andy Larson Legacy Fund	1,037,723	1,037,723
East Property Endowment Fund	<u>63,030</u>	<u>63,030</u>
Subtotal	<u>2,600,753</u>	<u>2,600,753</u>
Total	<u>\$ 4,076,738</u>	<u>\$ 3,799,207</u>

Net assets permanently restricted by the donor consist of three endowment funds listed above. Income from the Andy Larsen Legacy Fund is donor-designated to be used for promoting and continuing the educational legacy of Andy Larsen and is donor restricted; income from the Jane B. Pettit Fund for Environmental Education does not have an explicit donor restriction; and income from the East Property Endowment Fund is donor-designated to be used for maintenance and upkeep of the East Property location and is donor restricted.



RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

G – NET ASSETS – CONTINUED

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30, 2024 and 2023:

	2024	2023
Purpose restriction:		
Land conservation	\$ 80,061	\$ 82,419
Environmental education	167,708	184,999
Other donor designated uses	15,000	15,620
Promoting and continuing the educational Legacy of Andy Larson (endowment income)	74,974	75,505
Maintenance and upkeep of the East Property Location (endowment income)	4,063	4,093
Restrictions due to timing	170,984	223,000
Subtotal	\$ 512,790	\$ 585,636

H – RETIREMENT PLAN

The Board of Directors of the Center established Riveredge Nature Center Defined Contribution Plan (the Plan) as of January 1989. The Plan was restated effective January 2018. Beginning in January 2018, all employees are eligible upon date of hire or later to begin elective deferrals. The Plan allows for discretionary matching contributions to be made by the Center for which all employees are eligible except seasonal employees or part-time employees working less than 1,000 hours per year. Those eligible for matching contributions will begin to receive them upon completion of three months of service in which a minimum of 83 1/3 hours are worked in each of the months. Employees are immediately 100% vested in all deferrals and matching contributions. The cost to the Center was \$333,183 and \$23,622 for the years ended June 30, 2024 and 2023, respectively.

I – LEASES

The Center entered into a lease for a phone system beginning August 2020 for 60 months, with monthly payments of \$325. The lease ends December 2025. During February 2023, the Center entered into a lease for a copy machine under a long-term non-cancelable finance lease agreement. The lease runs for 63 months through April 2028. The Center includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

I – LEASES – CONTINUED

The weighted-average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, we estimate an applicable incremental borrowing rate. The incremental borrowing rate is estimated using our applicable borrowing rates and the contractual lease term.

Total right-of-use assets and lease liabilities at June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Finance right of use assets – property and equipment, net	<u>\$ 15,594</u>	<u>\$ 23,492</u>
Finance lease liabilities	<u>\$ 16,081</u>	<u>\$ 23,708</u>

Total lease costs for the years ended June 30, 2024 and 2023 is as follows:

Finance lease cost:		
Amortization of right-of-use assets	\$ 7,898	\$ 5,525
Interest expense	<u>834</u>	<u>494</u>
Total finance lease cost	<u>\$ 8,732</u>	<u>\$ 6,019</u>

The following table summarizes the supplemental cash flow information for the years ended June 30, 2024 and 2023:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance lease	\$ 855	\$ 413
Financing cash flows from finance lease	7,607	5,010
Right-of-use assets obtained in exchange for lease liabilities:		
Finance lease	\$ -	\$ 28,638

The following summarizes the weighted-average remaining lease term and weighted-average discount rate as of June 30, 2024 and 2023:

Weighted-average remaining lease term in years:		
Finance lease	3.83	4.12
Weighted-average discount rate:		
Finance lease	4.50%	4.12%

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

I – LEASES – CONTINUED

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2024:

2025	\$ 4,558
2026	4,558
2027	4,558
2028	<u>3,798</u>
Total undiscounted lease payments	17,472
Less present value discount	<u>(1,391)</u>
Present value of lease liabilities	<u>\$ 16,081</u>

J – REVENUE FROM CONTRACTS WITH CUSTOMERS

The Center provides program activities to individuals and schools and rents its facilities to individuals or other organizations. Revenue is reported at the amount that reflects the consideration to which the Center expects to be entitled per program and rental agreements. Program and rental revenue is billed and/or received in advance of the specific program or event. Revenue is recognized when the event occurs.

	<u>2024</u>	<u>2023</u>
Deferred revenue at beginning of period	\$ 216,967	\$ 193,127
Revenue recognized from prior year deferred	(216,967)	(193,127)
Increases in deferred revenue due to cash received during the period	<u>282,134</u>	<u>216,967</u>
Deferred revenue at end of period	<u>\$ 282,134</u>	<u>\$ 216,967</u>

K – CONCENTRATION OF CREDIT RISK

The Center has deposits in financial institutions, which, at times, may exceed federally insured limits. The Center has not experienced any losses with these accounts and management believes the Center is not exposed to any significant credit risk.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

L – DONATED FACILITIES, SERVICES AND PERSONAL PROPERTY

From time to time, the Center receives various types of contributed goods and services support, including rent, professional services, meals and auction items. Donated facilities are recognized at their fair value. Donated services are reported in the financial statements for voluntary donations of professional services when those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would be purchased if not provided by donation. The approximate fair value of donated goods and services for the years ended June 30, 2024 and 2023 are as follows:

	2024	2023
Donated property, capitalized with land and building costs	\$ -	\$ 360,000
Professional fees - teacher naturalists	9,853	31,833
Printing services	1,548	4,999
General supplies	3,195	1,321
Total	\$ 14,596	\$ 398,153

A substantial number of unpaid volunteers have made significant contributions of their time and perform a variety of tasks that assist the Center with environmental education, land conservation, fundraising activities, and various committee assignments. The Center receives more than 10,000 hours per year from these volunteers. No amounts have been recognized in the statements of activities because the criteria for recognition under U.S. GAAP have not been satisfied.

The Center received donated personal property which the Center used as auction and raffle items and supplies for the charity events held during the years ended June 30, 2024 and 2023. Revenue received from the sale of the auction and raffle items is reflected in the statements of activities and no amounts have been reflected for the donation of supplies for the charity events in the statements of activities.

M – EMPLOYEE RETENTION CREDIT

The Center is eligible for the Employee Retention Credit (“ERC”) under the CARES Act. During the year ended June 30, 2024, the Center submitted amended payroll tax forms for the ERC and recognized \$146,709 as grant revenue. Grant receivable for the ERC at June 30, 2024 is \$146,709 which represents refunds due on the 2020 and 2021 Form 941-X Adjusted Employer’s Quarterly Federal Tax Return or Claim for Refund for the quarters ended June 30, 2020 and March 31, 2021.

RIVEREDGE NATURE CENTER, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2024 AND 2023

N – SUBSEQUENT EVENT

Subsequent to year end, the Center embarked on a capital campaign that will revitalize and expand the Visitor Center. The Visitor Center is the welcoming hub for the nature reserve and is integral to the education, conservation and research initiative of Riveredge Nature Center. Plans for the renovated and expanded Visitor Center include updated entrance and access, new classroom, a children’s library, enhanced displays and staff offices. The estimated cost of the project is \$3.0 million and will be funded through capital contributions and grants. The Center anticipates beginning construction in the Winter of 2025.

SUPPLEMENTARY INFORMATION

**RIVEREDGE NATURE CENTER, INC.**  
**SCHEDULE 1 - STATEMENT OF FINANCIAL POSITION BY FUND**  
**June 30, 2024**

	OPERATING FUND	CONSERVATION FUND	PROPERTY FUND	ANDY LARSEN LEGACY FUND	EAST PROP ENDOWMENT FUND	PETTIT FUND	TOTAL
<b>ASSETS</b>							
Cash and savings deposits	\$ 275,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,034
Investments, at fair value	1,131,537	1,000,000	-	1,480,748	80,184	1,648,858	5,341,327
Contributions and pledges receivable, net	651,680	-	-	-	-	-	651,680
Accounts receivable	41,260	-	-	-	-	-	41,260
Intercompany receivable (payable)	-	-	-	-	-	-	-
Inventory	31,106	-	-	-	-	-	31,106
Prepaid expenses	31,651	-	-	-	-	-	31,651
Right of Use Asset - Finance	15,594	-	-	-	-	-	15,594
Land	-	-	1,825,605	-	-	-	1,825,605
Buildings, land improvements and equipment, net	-	-	2,737,558	-	-	-	2,737,558
<b>Total Assets</b>	<b>\$ 2,177,862</b>	<b>\$ 1,000,000</b>	<b>\$ 4,563,163</b>	<b>\$ 1,480,748</b>	<b>\$ 80,184</b>	<b>\$ 1,648,858</b>	<b>\$10,950,815</b>
<b>LIABILITIES AND NET ASSETS</b>							
Accounts payable	\$ 31,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,348
Other accrued liabilities	53,686	-	-	-	-	-	53,686
Unearned revenue	282,134	-	-	-	-	-	282,134
Lease liability finance	16,081	-	-	-	-	-	16,081
Farmhouse tenant security deposit	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>383,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>383,249</b>
<b>Net assets without donor restrictions:</b>							
Board designated	-	1,000,000	-	-	-	-	1,000,000
Undesignated by board	778,807	-	-	-	-	148,858	927,665
Investment in property	-	-	4,563,163	-	-	-	4,563,163
<b>Total without donor restrictions</b>	<b>778,807</b>	<b>1,000,000</b>	<b>4,563,163</b>	<b>-</b>	<b>-</b>	<b>148,858</b>	<b>6,490,828</b>
<b>Net assets with donor restrictions:</b>							
Donor restricted with purpose	1,015,806	-	-	443,025	17,154	-	1,475,985
Donor restricted perpetual in nature	-	-	-	1,037,723	63,030	1,500,000	2,600,753
<b>Total with donor restrictions</b>	<b>1,015,806</b>	<b>-</b>	<b>-</b>	<b>1,480,748</b>	<b>80,184</b>	<b>1,500,000</b>	<b>4,076,738</b>
<b>Total net assets</b>	<b>1,794,613</b>	<b>1,000,000</b>	<b>4,563,163</b>	<b>1,480,748</b>	<b>80,184</b>	<b>1,648,858</b>	<b>10,567,566</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 2,177,862</b>	<b>\$ 1,000,000</b>	<b>\$ 4,563,163</b>	<b>\$ 1,480,748</b>	<b>\$ 80,184</b>	<b>\$ 1,648,858</b>	<b>\$10,950,815</b>

See accompanying note to supplementary information

**RIVEREDGE NATURE CENTER, INC.**  
**SCHEDULE 2 - STATEMENT OF ACTIVITIES BY FUND**  
**For the Year Ended June 30, 2024**

	OPERATING FUND	CONSERVATION FUND	PROPERTY FUND	ANDY LARSEN LEGACY FUND	EAST PROP ENDOWMENT FUND	PETTIT FUND	TOTAL
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>							
Revenue, gains, and other support							
Contributions:							
Operating fund drive	\$ 181,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,450
Memorials and other contributions	13,509	-	-	-	-	-	13,509
Memorials and bequests	67,595	-	-	-	-	-	67,595
In-kind contributions	14,596	-	-	-	-	-	14,596
Special program support	223,763	-	-	-	-	-	223,763
Program fees	306,258	-	-	-	-	-	306,258
School programs	101,198	-	-	-	-	-	101,198
Rental income	149,236	-	-	-	-	-	149,236
Merchandising	46,167	-	-	-	-	-	46,167
Less: Cost of sales	(30,412)	-	-	-	-	-	(30,412)
Fund-raising events	149,192	-	-	-	-	-	149,192
Less: Cost of direct benefits to donors	(12,936)	-	-	-	-	-	(12,936)
Investment income, net	142,797	-	-	-	-	222,928	365,725
Net assets released from restrictions	433,753	-	-	74,974	4,063	-	512,790
<b>Total revenue gains and other support</b>	<b>1,786,166</b>	<b>-</b>	<b>-</b>	<b>74,974</b>	<b>4,063</b>	<b>222,928</b>	<b>2,088,131</b>
Expenses and losses							
Program services:							
Land conservation	515,329	-	24,046	-	-	-	539,375
Environmental education	1,234,225	-	175,541	-	-	-	1,409,766
Supporting services:							
General administration	181,493	-	33,665	-	-	-	215,158
Fundraising	191,221	-	7,214	-	-	-	198,435
<b>Total expenses and losses</b>	<b>2,122,268</b>	<b>-</b>	<b>240,466</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,362,734</b>
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>(336,102)</b>	<b>-</b>	<b>(240,466)</b>	<b>74,974</b>	<b>4,063</b>	<b>222,928</b>	<b>(274,603)</b>
<b>CHANGES IN NET ASSETS WITH DONOR - PURPOSE RESTRICTIONS:</b>							
Contributions	432,718	-	-	-	-	-	432,718
Grants	146,709	-	-	-	-	-	146,709
Investment income	-	-	-	200,005	10,889	-	210,894
Net assets released from restrictions	(433,753)	-	-	(74,974)	(4,063)	-	(512,790)
<b>INCREASE (DECREASE) IN DONOR RESTRICTED NET ASSETS - PURPOSE RESTRICTIONS</b>	<b>145,674</b>	<b>-</b>	<b>-</b>	<b>125,031</b>	<b>6,826</b>	<b>-</b>	<b>277,531</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS - PERPTUAL IN NATURE:</b>							
Bequest endowment contributions	-	-	-	-	-	-	-
Pettit endowment fund contributions	-	-	-	-	-	-	-
Contributions from fundraising events	-	-	-	-	-	-	-
<b>INCREASE (DECREASE) IN DONOR RESTRICTED NET ASSETS - PERPETUAL IN NATURE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(190,428)</b>	<b>-</b>	<b>(240,466)</b>	<b>200,005</b>	<b>10,889</b>	<b>222,928</b>	<b>2,928</b>
Beginning net assets	1,848,917	1,000,000	4,777,126	1,355,717	73,358	1,509,520	10,564,638
Operating transfers in (out)	136,124	-	26,503	(74,974)	(4,063)	(83,590)	-
<b>ENDING NET ASSETS</b>	<b>\$ 1,794,613</b>	<b>\$ 1,000,000</b>	<b>\$ 4,563,163</b>	<b>\$ 1,480,748</b>	<b>\$ 80,184</b>	<b>\$ 1,648,858</b>	<b>\$10,567,566</b>

See accompanying note to supplementary information



RIVEREDGE NATURE CENTER, INC.  
NOTE TO SUPPLEMENTARY INFORMATION

NOTE 1 – NET ASSETS

The net assets for Riveredge Nature Center, Inc. (Center) are divided into seven different areas:

Operating Fund

Operating fund, which includes unrestricted and donor-restricted resources, represents the portion of expendable funds that are available for support of Center operations.

Board Conservation Fund

Conservation fund represents designated funds that have been established by the Board of Directors to provide support for the Center.

Property Fund

Property fund represents the board-designated historical investment in property.

Andy Larsen Legacy Fund

The fund represents donor-restricted resources of which the income will be used for promoting and continuing the legacy of Andy Larsen.

East Property Endowment Fund

The fund represents donor-restricted resources of which the income will be used for maintenance and upkeep of the East Property location.

Jane B. Pettit Endowment Fund for Environmental Education

Pettit fund represents donor-restricted resources of which the income will be used for environmental education and other needs of the Center.