

BEAVER CREEK WETLANDS ASSOCIATION, INC

**FINANCIAL STATEMENTS AS OF
AND FOR THE YEAR ENDED DECEMBER 31, 2021**

BEAVER CREEK WETLANDS ASSOCIATION, INC

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Manning & Associates

Certified Public Accountants, LLC

John M. Manning, CPA • Sandra L. Comer, CPA • John C. Bensman, CPA • John M. Keller, CPA

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Trustees
Beaver Creek Wetlands Association, Inc.
Beavercreek, Ohio

Report on the Financial Statements

We have reviewed the accompanying financial statements of Beaver Creek Wetlands Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Beaver Creek Wetlands Association, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirement to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Manning & Associates CPAs, LLC
Dayton, Ohio
February 25, 2022

BEAVER CREEK WETLANDS ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

ASSETS

Assets

Cash and Equivalents	\$ 587,694
Investments Available-for-Sale	466,268
Property and Equipment (Net)	1,660,280
TOTAL ASSETS	<u>\$ 2,714,242</u>

LIABILITIES AND NET ASSETS

Liabilities

Payroll Taxes Payable	\$ 3,297
Total Liabilities	<u>\$ 3,297</u>

Net Assets

With Donor Restrictions	\$ 10,000
Without Donor Restrictions	2,700,945
Total Net Assets	<u>\$ 2,710,945</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,714,242</u>
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See Accompanying Notes and Independent Accountant's Review Report

BEAVER CREEK WETLANDS ASSOCIATION, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>Total</u>
Revenues and Gains without Donor Restrictions:	
Grants - unrestricted	\$ 1,500
Membership Dues	23,905
Donations	643,504
Interest Income	6,751
Other Income	2,421
Donations In-kind	1,187
Total Revenue and Gains Without Donor Restrictions	<u>\$ 679,268</u>
 EXPENSES	
Program Service:	\$ 141,189
Fundraising	51,073
Administrative	86,202
	<u>\$ 278,464</u>
 NET INCREASE IN ASSETS WITHOUT DONOR RESTRICTIONS	<u>\$ 400,804</u>
 Change in Net Assets With Donor Restrictions	
Donations	\$ 10,000
Net Increase in Assets With Donor Restrictions	<u>\$ 10,000</u>
 Unrealized Gain on Available for Sale of Securities	<u>\$ 41,577</u>
 Change in Net Assets	\$ 452,381
Net Assets at Beginning of Year	<u>2,258,564</u>
Net Assets at End of Year	<u><u>\$ 2,710,945</u></u>

See Accompanying Notes and Independent Accountant's Review Report

BEAVER CREEK WETLANDS ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program				
	Services	Fundraising	Administrative	Total	
Salaries	\$ 26,006	\$ 26,006	\$ 52,010	\$ 104,022	
Payroll Taxes	1,214	1,214	2,427	4,855	
Land Management	65,293	0	0	65,293	
Fundraising Events	0	3,473	0	3,473	
Printing/Newsletter	0	9,010	0	9,010	
Special Events	0	6,924	0	6,924	
Publicity and Marketing	0	779	0	779	
Projects	14,232	0	0	14,232	
Postage	0	1,985	0	1,985	
Bank Service Charge	0	1,682	0	1,682	
Telephone and internet	0	0	4,403	4,403	
Office Supplies	0	0	4,919	4,919	
Contact Services	20,612	0	0	20,612	
Rent	0	0	1,680	1,680	
Insurance	0	0	10,952	10,952	
Professional Fees	0	0	2,322	2,322	
Miscellaneous	0	0	2,018	2,018	
Depreciation	13,139	0	0	13,139	
Volunteer Expense	693	0	0	693	
Memberships	0	0	2,339	2,339	
Investment Expense	0	0	3,132	3,132	
TOTAL FUNCTIONAL					
EXPENSES	\$ 141,189	\$ 51,073	\$ 86,202	\$ 278,464	

BEAVER CREEK WETLANDS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 452,381
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13,139
Increase in Payroll Taxes	1,093
Net Unrealized gain on investments	(41,577)
Net cash provided by operating activities	<u>\$ 425,036</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Activity in available-for-sale securities;	
Purchases	\$ (3,420)
Purchase of land and improvements	(176,550)
Purchase of equipment	(24,616)
Net cash used by investing activities	<u>\$ (204,586)</u>

Net Change in Cash	\$ 220,450
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Cash and Cash Equivalents at the Beginning of Year	<u>367,244</u>
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Cash and Cash Equivalents at the End of Year	<u><u>\$ 587,694</u></u>
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See Accompanying Notes and Independent Accountant's Review Report

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The Beaver Creek Wetlands Association, Inc. (the Organization) is a member supported non-profit, Ohio Land Trust, working to protect and restore wetlands and other natural areas in the Beaver Creek watershed in Greene County Ohio. The Beaver Creek Wetlands Association preserves and restores our endangered wetland habitat through conservations, stewardship, education and public access.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies – This Summary of Significant Accounting Policies of the Organization is presented to assist in understanding its financial statements. The financial statements and notes are representations of the Organization's management who are responsible for their integrity and objectivity.

Basis of Accounting – The Organization uses the accrual basis of accounting in accordance with Accounting Principles Generally Accepted in the United States of America and accordingly, the financial statements reflect all significant receivables, payables and other liabilities.

The accounting and reporting policies of the Organization conform with accounting principles generally accepted in the United States of America ("GAAP") as contained in the Accounting Standards Codification ("ASC") issued by the Financial Accounting Standards Board ("FASB") and with general practices within the industry. The following is a summary of significant accounting policies:

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restriction – Net assets that are not subject to donor-imposed stipulations. Net assets available for general use to support operations.

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

Net assets with donor restriction – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

FINANCIAL STATEMENT PRESENTATION

The cost of providing the program and other activities has been summarized on a functional basis in the statement of activities and change in net assets. Accordingly, certain costs have been allocated to the program and supporting service benefited.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

DESCRIPTION OF PROGRAMS

The Organization provides a newsletter to members, offers workshops and training sessions throughout the year, donates trees to residents of Beavercreek and protects and restores its land owned by the Association.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all highly liquid investments purchased with an original maturity of three months or less.

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization's financial instruments consist primarily of cash, accounts receivable, and accounts payable. The carrying values of financial instruments are representative of their fair values due to their short-term maturities. The investments available for sale are reported at fair market value (see Note 3).

CONTRIBUTIONS

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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.

DONATED SERVICES AND GOODS

Materials and other assets donated to the organization are recorded and reflected in the financial statement at their fair value at the date received. Donated services requiring specialized skills are reflected in the financial statements at their fair value. These donations are recorded as In-Kind.

A significant portion of the Organization's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteer's time does not meet the criteria for recognition.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Organization to a concentration of credit risk, consist principally of cash. The Organization manages this risk by using high credit quality financial institutions.

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUNCTIONAL EXPENSES

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based on units of service and support costs are allocated to a program based on total program costs.

FIXED ASSETS

Fixed assets are recorded at cost less accumulated depreciation. Depreciation is computed using the straight-line method. Normal repairs and maintenance are expensed as incurred. Expenditures that materially extend the useful life of an asset are capitalized. When assets are sold, retired, or otherwise disposed of, the applicable costs and accumulated depreciation are removed from the accounts, and the resulting gain or loss is recognized.

Fixed assets consist of land, property and equipment stated at cost. Depreciation for property and equipment is calculated using the straight-line method over 5 years. Repair and maintenance costs are charged to operations, when incurred. Depreciation expense totaled \$13,139 for the year ended December 31, 2021.

FUND-RAISING COSTS

The Organization may incur fund-raising costs to persuade potential donors to make contributions to the Organization. These costs are expensed as incurred. For the year ended December 31, 2021, the fund-raising cost was \$51,073.

IMPAIRMENT OF LONG-LIVED ASSETS

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows of the operation to which the assets relate to the carrying amount. If the operation is determined to be unable to recover the carrying amount of its assets, then assets are written down first, followed by other long-lived assets of the operation to fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. As of December 31, 2021, there were no impairment losses recognized for long-lived assets.

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES

The Organization qualifies as a tax-exempt, nonprofit organization under Section 501(c)3 of the Internal Revenue Code.

The Organization adopted new guidance on accounting for uncertainty in income taxes for the year ended December 31, 2021. Management does not believe that the Organization conducts any activities subject to taxation as unrelated business income. In addition, management concluded that there are no uncertain tax positions, and accordingly, there is no adjustment to the financial statements required to comply with the provisions of this new guidance.

SUBSEQUENT EVENTS

Beaver Creek Wetlands Association, Inc. has evaluated subsequent events through February 25, 2022, which is the date the financial statements were available to be issued. Beaver Creek Wetlands Association, Inc. is not aware of any material subsequent events.

Subsequent to year-end, the United States and Global Markets experienced significant declines in value resulting from uncertainty caused by the worldwide coronavirus pandemic. We are closely monitoring liquidity and are actively working to minimize the impact of these declines. Our financial statements do not include adjustments to fair value that have been reduced from these declines.

NEW ACCOUNTING PRONOUNCEMENT

Beaver Creek Wetlands Association, Inc. has adopted ASU No. 2018-08, Not-For-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The new guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. The adoption of this standard for the year ended December 31, 2021 did not result in a change to the accounting for revenue. Management believes the standard improves the usefulness and understandability of Beaver Creek Wetlands Association, Inc. financial reporting.

BEAVERCREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GLOBAL PANDEMIC

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States of America. The Entity has adjusted certain aspects of their operations to protect their employees and members while still meeting members' needs. As a result, while the disruption is currently expected to be temporary, there is uncertainty around the duration. Business continuity, including supply chains and consumer demand across the broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take a significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result to this uncertainty. There has been no immediate impact to our operations. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to obtain material supplies. The future effects of these issues are unknown.

MARKETABLE EQUITY SECURITIES

The entity classifies marketable securities as available-for-sale securities. Available-for-sale securities are measured at fair value with net unrealized gains and losses reported in statement of activities. Fair values for marketable securities are based on quoted market prices and consist of the following:

	<u>Cost</u>	<u>Gross Unrealized Gain</u>	<u>Estimated Fair Value</u>
Investments	\$424,691	\$41,577	\$466,268

NOTE 2 – FIXED ASSETS

A summary of historic cost and net book value of fixed assets at December 31, 2021 follows:

	<u>Cost</u>	<u>2021 Book Value</u>
Land	\$1,592,231	\$1,592,231
Improvements	91,400	32,965
Equipment	<u>72,253</u>	<u>35,084</u>
	<u>\$1,755,884</u>	<u>\$1,660,280</u>

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 –FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- | | |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted price for identical or similar assets or liabilities in active markets;• Inputs other than quoted prices that are observable for the asset or liabilities in active markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means <p>If the assets or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 –FAIR VALUE MEASUREMENTS (Continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. (continued)

Pooled separate accounts: Valued at the net asset value ('NAV') of the underlying investments held by each account, minus its liabilities, and then divided by the number of units outstanding. The NAV, as reported to the Organization, is used as a practical expedient to estimate fair value. This practical expedient is not used when it is determined to be probable that the Organization will sell the investment for an amount different than the reported NAV. The pooled separate accounts offer a variety of different investment strategies, including asset preservation, income generation, growth, target date asset accumulation and sector specialization. Purchases and sales may occur daily within these accounts and the redemption period is immediate. As of December 31, 2021, there were no unfunded commitments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Entity believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments reported at fair value as follows:

**Fair Value
Measurements Using:**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Investments in the fair value hierarchy	\$ -	\$ -	\$ -	\$ -
Investments measured at net asset value				
a. Pooled separate accounts				\$ 466,268
Total				\$ 466,268
b. Certain Investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits. They are valued daily, can be redeemed daily with no restrictions, and without prior notice. There are no unfunded commitments.				

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 –FAIR VALUE MEASUREMENTS (Continued)

Activities of the Dayton Foundation maintained for the exclusive benefit of the Beavercreek Wetlands Association, Inc. are listed below:

	Year Ended 2021
<u>Income</u>	
Donations	\$ 1,200
Interest and Dividends	5,348
Unrealized Gains	43,274
	<u>\$ 49,822</u>
<u>Expense</u>	
Administrative & Investment Expense	3,133
	<u>\$ 3,133</u>
Net Change in Private Foundation Fund Balance	\$ 46,689
Beginning Balance	324,654
Ending Balance	<u>\$ 371,343</u>

NOTE 4 – DAYTON FOUNDATION

The Dayton Foundation maintains a private fund exclusively for the benefit of the Beaver Creek Wetlands Association, Inc. These funds can be used for any operating expense or capital improvements.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Organization may also be involved in various other claims and legal proceedings arising out of the ordinary course of business. In the Organization's opinion after consultation with legal counsel, the ultimate disposition of such proceedings is not likely to have a material adverse effect on its financial position, future results of operations, or cash flows.

In accordance with FASB ASC 450 (Formerly SFAS No. 5) "Accounting for Contingencies," the Organization has not accrued for loss contingencies relating to such matters because the Organization believes that, although unfavorable outcomes in the proceedings may be possible, they are not considered by management to be probable or reasonably estimable.

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – COMMITMENTS AND CONTINGENCIES (Continued)

Legal Proceedings (continued)

If one or more of these matters are resolved in a manner adverse to the Organization, the impact on the Organization's results of operations, financial position and/or liquidity could be material.

NOTE 6 – NEW ACCOUNTING GUIDANCE

The FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments in June 2016. The standard represents a dramatic change to how GAAP-reporting companies must account for credit losses for most financial assets. While the new standard will have its most significant impact on banks and other financial institutions, the new rules will apply across all industries. ASU 2016-13 replaces the incurred loss measurement standard with a new current expected credit loss (CECL) model.

Under ASU 2016-13, an entity must recognize full lifetime expected losses on each financial asset “to present the net carrying value at the amount expected to be collected” on the asset at the time the asset is recognized. The main objective of the ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a recording entity at each reporting date. To achieve this objective, the amendments in this Update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The rule requires corporations to collect historical credit loss data for various financial assets sharing similar risk characteristics and use this information along with current conditions and “reasonable and supportable forecasts.”

The FASB also recently issued transition relief for the entities adopting ASU 2016-13. Financial Instruments – Credit Losses (Topic 326) Targeted Transition Relief (ASU 2019-05) which allows corporations to elect the fair value option on newly originated or newly purchased financial assets where the corporation had previously recorded similar holdings at amortized cost.

The ASU will be effective for its entities other than public business entities for fiscal years beginning after December 15, 2022, and interim periods within fiscal years beginning after December 15, 2023. At this time, the Organization has not determined the impact of this Update on its financial statements.

BEAVER CREEK WETLANDS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 7 – LIQUIDITY AND AVAILABILITY

The Organization’s financial assets available within one year of the balance sheet date for general expenditure are:

Financial Assets at Year End

Cash	\$ 587,694
Investments-Available for Sale	<u>466,268</u>
Total Financial Assets	<u>\$ 1,053,962</u>

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

NOTE 8 – REVENUE RECOGNITION

Contributions received are recorded as net assets with donor restriction and without donor restrictions, depending on the existence and/or nature of any donor restrictions. Revenue and support received from public support is recognized when proceeds are received. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Other revenues including grant income are recognized in the period earned.

The Organization’s annual revenues are principally generated through member fees, fundraising projects and donations.