

**THE BLACK ROCK FOREST
CONSORTIUM, INC.
d/b/a
BLACK ROCK FOREST**

**Financial Statements
for the years ended
September 30, 2022
and
September 30, 2021**

Independent Auditor's Report

To the Board of Directors of
The Black Rock Forest Consortium, Inc.
d/b/a Black Rock Forest

Opinion

We have audited the accompanying financial statements of The Black Rock Forest Consortium, Inc. d/b/a Black Rock Forest (the "Consortium"), which comprise the statements of financial position as of September 30, 2022 and September 30, 2021 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Consortium as of September 30, 2022 and September 30, 2021 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Consortium and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Consortium's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Consortium's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Condon O'Meara McIntyre & Donnelly LLP

April 24, 2023

THE BLACK ROCK FOREST CONSORTIUM, INC.
d/b/a BLACK ROCK FOREST

Statement of Financial Position

Assets		September 30	
		2022	2021
Current assets			
Cash	\$	298,670	\$ 1,016,620
Investments, at fair value		12,667,095	15,715,423
Accounts receivable		60,032	23,301
Contributions receivable		282,212	165,475
Prepaid expenses		8,731	26,314
Total current assets		13,316,740	16,947,133
Property and equipment, net		1,438,081	1,453,116
Total assets		\$ 14,754,821	\$ 18,400,249
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	\$	59,218	\$ 8,153
Deferred revenue		256,490	232,214
Total liabilities		315,708	240,367
Net assets			
Without donor restrictions			
Undesignated		4,252,399	7,704,142
Board-designated funds			
William T. Golden Fund		2,637,104	2,946,504
Educator Fund		1,766,535	1,850,325
David N. Redden Conservation			
Science Fund		264,559	288,317
Postdoctoral Fellowship and Higher			
Education Fund		919,310	1,009,310
Total without donor restrictions		9,839,907	13,798,598
With donor restrictions			
Temporary		2,411,320	2,173,398
Perpetual		2,187,886	2,187,886
Total with donor restrictions		4,599,206	4,361,284
Total net assets		14,439,113	18,159,882
Total liabilities and net assets		\$ 14,754,821	\$ 18,400,249

See notes to financial statements.

THE BLACK ROCK FOREST CONSORTIUM, INC.
d/b/a BLACK ROCK FOREST

Statement of Activities

	For the Years Ended September 30					
	2022			2021		
	Without Donor Restrictions		With Donor Restrictions		Without Donor Restrictions	
	Undesignated	Board-Designated	Total	Restrictions	Undesignated	Board-Designated
Support and revenue						
Program contributions						
Education and research	\$ 31,457	\$ -	\$ 31,457	\$ 4,100	\$ 35,557	\$ 9,252
Natural Heritage	74,054	-	74,054	-	74,054	32,653
William S.F. Schuster Endowment	-	-	-	285,565	285,565	-
Other contributions	235,852	-	235,852	-	235,852	250
Government grant – PPP	-	-	-	-	-	-
Fundraising events	202,613	-	202,613	-	174,730	-
Membership dues	406,218	-	406,218	-	207,900	-
Lodging and other	78,030	-	78,030	-	30,375	-
Interfund transfer	-	-	-	-	(70,000)	70,000
Interest and dividends	395,236	-	395,236	-	305,881	-
Released from designation	506,948	(506,948)	-	-	722,116	(722,116)
Net assets released from restrictions	51,743	-	51,743	(51,743)	250,504	-
Total support and revenue	<u>1,982,151</u>	<u>(506,948)</u>	<u>1,475,203</u>	<u>237,922</u>	<u>1,713,125</u>	<u>(651,866)</u>
Expenses						
Program services	1,504,385	-	1,504,385	-	1,308,151	-
Supporting activities						
Management and general	333,865	-	333,865	-	263,070	-
Fundraising	324,708	-	324,708	-	160,225	-
Total supporting activities	658,573	-	658,573	-	423,295	-
Total expenses	<u>2,162,958</u>	<u>-</u>	<u>2,162,958</u>	<u>-</u>	<u>1,731,446</u>	<u>-</u>
Increase (decrease) in net assets before gain (loss) on investments	(180,807)	(506,948)	(687,755)	237,922	(449,833)	(651,866)
Realized and unrealized gain (loss) on investments	<u>(3,270,936)</u>	<u>-</u>	<u>(3,270,936)</u>	<u>-</u>	<u>2,048,363</u>	<u>-</u>
Increase (decrease) in net assets	(3,451,743)	(506,948)	(3,958,691)	237,922	2,431,048	(651,866)
Net assets, beginning of year	<u>7,704,142</u>	<u>6,094,456</u>	<u>13,798,598</u>	<u>4,361,284</u>	<u>18,159,882</u>	<u>6,746,322</u>
Net assets, end of year	<u>\$4,252,399</u>	<u>\$5,587,508</u>	<u>\$ 9,839,907</u>	<u>\$4,599,206</u>	<u>\$14,439,113</u>	<u>\$6,094,456</u>

See notes to financial statements.

Statement of Functional Expenses

See notes to financial statements.

THE BLACK ROCK FOREST CONSORTIUM, INC.
d/b/a BLACK ROCK FOREST

Statement of Cash Flows

	Years Ended September 30	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$(3,720,769)	\$1,584,511
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) operating activities		
Depreciation and amortization	82,611	80,319
Forgiveness of PPP loan	-	(168,304)
Realized and unrealized (gain) loss on investments	3,270,936	(2,048,363)
(Increase) decrease in current assets		
Accounts receivable	(36,731)	(10,108)
Contributions receivable	(116,737)	121,687
Prepaid expenses	17,583	(4,161)
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	51,065	(13,551)
Deferred revenue	<u>24,276</u>	<u>193,574</u>
Net cash (used in) operating activities	<u>(427,766)</u>	<u>(264,396)</u>
Cash flows from investing activities		
Purchases of property and equipment	(67,576)	(17,776)
Proceeds from sale of investments, net	-	327,751
Purchases of investments	<u>(222,608)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(290,184)</u>	<u>309,975</u>
Net increase (decrease) in cash	(717,950)	45,579
Cash, beginning of year	<u>1,016,620</u>	<u>971,041</u>
Cash, end of year	<u>\$ 298,670</u>	<u>\$1,016,620</u>

See notes to financial statements.

THE BLACK ROCK FOREST CONSORTIUM, INC.
d/b/a BLACK ROCK FOREST

Notes to Financial Statements
September 30, 2022 and September 30, 2021

Note 1 – Nature of organization

The Black Rock Forest Consortium, Inc. (the “Consortium”), is a New York not-for-profit corporation formed in 1989 that advances scientific understanding of the natural world through research, education and conservation. The Consortium manages and operates the Black Rock Forest, a 3,914 acre forest and scientific field station in the Hudson Highlands, 60 miles north of New York City, pursuant to a lease with the The Black Rock Forest Preserve, Inc. (the “Preserve”). The Consortium collaborates with its members – universities, schools, scientific and cultural institutions – to pursue and foster scientific inquiry and create education programs for K-16 students.

In December 2017, New York State Department of State approved the Consortium’s application to use Black Rock Forest as its business name.

In July 2016, the Preserve requested that the IRS reclassify the Preserve as a Type I supporting organization, as described in Section 509(a)(3) of the Code, of the Consortium. On March 31, 2017, the Preserve’s request was approved by the IRS and it is now a supporting organization of the Consortium.

A merger between the Consortium and Preserve is planned in which the Preserve will be incorporated into the Consortium.

Note 2 – Summary of significant accounting policies

Financial reporting

The Consortium classifies its net assets as follows:

Net assets without donor restrictions consist of amounts that can be spent at the discretion of the Consortium to support operations.

Net assets with donor restrictions consists of the following:

- Net assets with temporary donor restrictions consist of contributions restricted for a particular purpose or that relate to future periods.
- Net assets with perpetual donor restrictions consist of contributions that are restricted by the donor in perpetuity.

Contributions

The Consortium receives substantially all of its revenue from individual and corporate contributors, educational institutions, public and private foundations, state and local governments and not-for-profit organizations.

THE BLACK ROCK FOREST CONSORTIUM, INC.
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Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

Note 2 – Summary of significant accounting policies (continued)

Contributions (continued)

Contributions are recorded as without or with temporary or perpetual donor restrictions support depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of time or purpose restrictions.

Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can reasonably be determined.

The Consortium submits claims for reimbursement for government contracts as expenses are incurred. Cost reimbursement under government contracts are subject to audit and adjustment by the government agency. The effects of any potential audit disallowances are not reflected in this report and management does not believe that any potential audit disallowances would have a material effect on the financial statements.

Revenue recognition

Membership dues are recognized ratably as revenue over the membership period. Amounts not yet earned as of the statement of financial position date are reported as deferred revenue.

Cash and cash equivalents

The Consortium considers all highly liquid investments with original maturities of 90 days or less to be cash equivalents, other than cash held in the investment portfolio.

Investments

Investments are recorded at fair value. The fair value of the investments is based on publicly quoted market prices. The cost of investments sold is determined using the first-in, first-out method. Interest and dividends earned on perpetually restricted net assets are without donor restrictions. Realized gains or losses on the sale of investments are recorded in the undesignated fund.

THE BLACK ROCK FOREST CONSORTIUM, INC.
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Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

Note 2 – Summary of significant accounting policies (continued)

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Observable inputs other than level 1 prices such as quoted prices of similar assets; quoted prices in markets with insufficient volume or infrequent transactions (less than active markets).

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

Allowance for doubtful accounts

As of September 30, 2022 and September 30, 2021, the Consortium's management has determined that there are potentially no uncollectible receivables and thus, an allowance for doubtful accounts is not necessary. Such estimate is based on management's experience, the aging of receivables, subsequent receipts and current economic conditions. On February 3, 2023, the Consortium was informed that a NYS grant awarded in 2016 was withdrawn. The Consortium used the direct write off method to reflect the withdrawn grant as of September 30, 2022. The withdrawn grant is shown as bad debt on the statement of functional expenses.

Property and equipment

Property and equipment are carried at cost if purchased or, if donated, they are carried at fair value as of the date of the donation. The Consortium capitalizes items over a nominal amount and with an estimated useful life greater than one year. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the respective assets, which range from five to thirty-nine years. During the 2021 fiscal year, fully depreciated assets totaling \$38,289, were deleted from the accounts of the Consortium.

Functional expenses

The costs of providing the various programs and activities are summarized on a functional basis in the statement of activities. Expenses that are incurred for a specific program are classified as an expense of that program. Indirect expenses, such as the cost of the Consortium's staff, have been allocated based on time spent in conjunction with a specific program or supporting service.

THE BLACK ROCK FOREST CONSORTIUM, INC.
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Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

Note 2 – Summary of significant accounting policies (continued)

Concentrations of credit risk

The Consortium's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, investments and accounts and contributions receivable. The Consortium invests its cash in financial instruments issued by financial institutions that it believes to be of a high quality. The Consortium has not experienced any losses in such accounts to date. The Consortium's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position as of September 30, 2022. The Consortium's accounts and contributions receivable consist principally of amounts due from various donors. The Consortium believes no significant concentrations of credit risk exist with respect to its cash, investments and accounts and contributions receivable.

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. The estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent events

The Consortium has evaluated events and transactions for potential recognition or disclosure through April 24, 2023, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

The Consortium's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts from membership dues, contributions and other revenue items.

THE BLACK ROCK FOREST CONSORTIUM, INC.
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Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

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

The following is a summary of the Consortium's financial assets as of September 30, 2022 and September 30, 2021 that are available for general use within one year of the statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash	\$ 298,670	\$ 1,016,620
Investments, at fair value	12,667,095	15,715,423
Accounts receivable	60,032	23,301
Contributions receivable	<u>282,212</u>	<u>165,475</u>
Sub-total	13,308,009	16,920,819
Less: Board-designated funds	(5,587,508)	(6,094,456)
Net assets with perpetual donor restrictions	<u>(2,187,886)</u>	<u>(2,187,886)</u>
Total	<u>\$ 5,532,615</u>	<u>\$ 8,638,477</u>

The Board-designated funds can be used upon approval of the Board of Directors.

The cash amount listed for the 2021 fiscal year includes \$600,000 that the Board designated for use as a Reserve fund in potential future cases when there may be a pressing need for cash when market conditions make it undesirable to liquidate invested funds. During the 2022 fiscal year, the Board passed a resolution to reverse this reserve, as it was determined by the Investment Committee that the Consortium will have adequate liquidity to maintain operations prudently, without needing an additional \$600,000 cash reserve.

Note 4 – Investments, at fair value

Investments consist of the following as of September 30, 2022 and September 30, 2021:

	<u>2022</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Fair Value Level</u>
Cash	\$ 117,261	\$ 117,261	N/A
Mutual funds			
Equities			
U.S. Large Cap	2,063,067	2,961,266	1
U.S. Mid Cap	693,178	916,966	1
U.S. Small Cap	509,494	644,673	1
Global	3,454,014	3,037,446	1
Fixed income	5,163,227	4,343,545	1
Index Fund			
Real estate investment trust	<u>641,885</u>	<u>645,938</u>	1
Total	<u>\$ 12,642,126</u>	<u>\$ 12,667,095</u>	

THE BLACK ROCK FOREST CONSORTIUM, INC.
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Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

Note 4 – Investments, at fair value (continued)

	2021		
	Cost	Fair Value	Fair Value Level
Cash	\$ 305,784	\$ 305,784	N/A
Mutual funds			
Equities			
U.S. Large Cap	2,152,373	3,717,220	1
U.S. Mid Cap	685,469	1,147,102	1
U.S. Small Cap	501,491	816,514	1
Global	3,116,774	3,842,908	1
Fixed income	4,941,960	5,073,489	1
Index Fund			
Real estate investment trust	641,230	812,406	1
Total	<u>\$ 12,345,081</u>	<u>\$ 15,715,423</u>	

Note 5 – Property and equipment, net

Property and equipment consist of the following as of September 30, 2022 and September 30, 2021:

	2022	2021
Leasehold improvements		
Sibyl's Pathway	\$ 774,837	\$ 774,837
Moretti Center	355,015	333,186
Science Center	16,194	-
Transportation, grounds and other operating equipment	429,163	414,102
Forest field equipment, Mesh Network and computers	<u>369,979</u>	<u>355,487</u>
Total	1,945,188	1,877,612
Less: accumulated depreciation and amortization	<u>507,107</u>	<u>424,496</u>
Net property and equipment	<u>\$1,438,081</u>	<u>\$1,453,116</u>

Note 6 – Board-designated funds

The following is a summary of the Consortium's Board-designated funds:

William T. Golden Fund

In the 2016 fiscal year, the Consortium established the Board-designated William T. Golden Fund to ensure a balanced annual operations budget and to build fiscal security. For the 2022 and 2021 fiscal years, the Board released from designation \$309,400 and \$444,400, respectively, from the William T. Golden Fund to operations. In 2021, \$70,000 was transferred to the William T. Golden Fund from undesignated funds.

THE BLACK ROCK FOREST CONSORTIUM, INC.
d/b/a BLACK ROCK FOREST

Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

Note 6 – Board-designated funds (continued)

Educator Fund

In the 2017 fiscal year, the Consortium established the Educator Fund, which is to be used to hire a master science educator to co-develop and broaden curriculum, creating a regional center dedicated to increasing science proficiency and educational innovation. During the 2022 and 2021 fiscal years, the Board of Directors approved the release of \$83,790 and \$95,277, respectively, from the Educator fund to operations.

David N. Redden Conservation Science Fund

In the 2018 fiscal year, the Consortium established the David N. Redden Conservation Science Fund, which will be directed primarily toward conservation research and training in Black Rock Forest and the surrounding Hudson Highlands and lower Hudson Valley regions. During the 2022 and 2021 fiscal years, the Board of Directors approved the release of \$23,758 and \$17,244, respectively, from the fund to operations.

Postdoctoral Fellowship and Higher Education Fund

The Postdoctoral Fellowship and Higher Education Fund was established in 2013 with a goal of ensuring robust future forest and sustainability science research by hiring for successive two-year terms a series of Postdoctoral Fellows in forest ecology. A number of individuals and foundations contributed to the successful, multi-year campaign to reach a funding level capable of sustaining such a program. A sufficient fund balance was reached by the fall of 2018 to officially announce the program and hire the first Postdoctoral Fellow who started in 2020. During the 2022 and 2021 fiscal years, the Board of Directors approved the release of \$90,000 and \$165,195, respectively, from this fund to operations.

The following is a summary of the activity of the Board-designated funds for the years ended September 30, 2022 and September 30, 2021:

	2022		
	Balance, September 30, 2021	Released from Designation	Balance, September 30, 2022
William T. Golden Fund	\$ 2,946,504	\$ (309,400)	\$ 2,637,104
Educator Fund	1,850,325	(83,790)	1,766,535
David N. Redden Conservation Science Fund	288,317	(23,758)	264,559
Postdoctoral Fellowship and Higher Education Fund	<u>1,009,310</u>	<u>(90,000)</u>	<u>919,310</u>
	<u>\$ 6,094,456</u>	<u>\$ (506,948)</u>	<u>\$ 5,587,508</u>

THE BLACK ROCK FOREST CONSORTIUM, INC.
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Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

Note 6 – Board-designated funds (continued)

	2021				
	Balance, September 30, 2020	Contributions	Released from Designation	Fund Transfers	Balance, September 30, 2021
William T. Golden Fund	\$ 3,320,904	\$ -	\$ (444,400)	\$ 70,000	\$ 2,946,504
Educator Fund	1,945,602	-	(95,277)	-	1,850,325
David N. Redden Conservation Science Fund	305,561	-	(17,244)	-	288,317
Postdoctoral Fellowship and Higher Education Fund	1,174,255	250	(165,195)	-	1,009,310
	<u>\$ 6,746,322</u>	<u>\$ 250</u>	<u>\$ (722,116)</u>	<u>\$ 70,000</u>	<u>\$ 6,094,456</u>

Note 7 – Net assets with temporary donor restrictions

During fiscal year 2022, the Consortium established the William S.F. Schuster, Ph.D., Fund for Research to support future science research at Black Rock Forest. It was founded by generous benefactors to honor three decades of Bill Schuster's consequential leadership of Black Rock Forest, with the goal of raising \$500,000 in an endowed fund, to ensure that research at Black Rock Forest remains financially supported and continues to make important new discoveries over the long term. As of September 30, 2022, the Consortium has raised \$285,565 through pledges and contributions.

The following is a summary of the activity of the net assets with temporary donor restrictions for the years ended September 30, 2022 and September 30, 2021:

	2022			
	Balance, September 30, 2021	Contributions	Net Assets Released	Balance, September 30, 2022
Post doctoral fellowship program	\$ 2,169,499	\$ 4,000	\$ (49,242)	\$ 2,124,257
Education – summer science camp scholarships	3,899	100	(2,501)	1,498
William S.F. Schuster, PhD. Fund for Research	-	285,565	-	285,565
Total	<u>\$ 2,173,398</u>	<u>\$ 289,665</u>	<u>\$ (51,743)</u>	<u>\$ 2,411,320</u>

THE BLACK ROCK FOREST CONSORTIUM, INC.
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Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

Note 7 – Net assets with temporary donor restrictions (continued)

	2021		
	Balance, September 30, 2020	Contributions	Balance, September 30, 2021
Post doctoral fellowship program	\$ 2,368,069	\$ 48,333	\$ 2,169,499
Education – summer science camp scholarships	-	7,500	3,899
Total	\$ 2,368,069	\$ 55,833	\$ 2,173,398

Note 8 – Net assets with perpetual donor restrictions

The Consortium is required to act prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so to consider a number of factors including the duration and preservation of its donor restricted endowment funds. The Consortium classifies as net assets with perpetual donor restrictions the original value of gifts donated to the perpetual endowment. The investment return on such endowment funds is expendable for the purpose of maintaining and operating the Forest.

Funds with deficiencies

There were no endowment fund deficiencies as of September 30, 2022 and September 30, 2021.

The following is a summary of the net assets with perpetual donor restrictions as of September 30, 2022 and September 30, 2021:

	2022	2021
Support Endowment - Consortium	\$2,187,886	\$2,187,886

Note 9 – Related party transactions

The Consortium and the Preserve have four common officers of the Board of Directors. The Consortium leases the Forest, Center and Lodge from the Preserve pursuant to a 20-year lease, which requires an annual rental payment of \$1 and expires on October 9, 2029. The Consortium is required to pay certain operating costs of the property, as outlined in the agreement.

In addition, an officer of the Board of Directors is a member of the Board of Trustees for Open Space Institute Land Trust, Inc. (“OSILT”) that was a holder of a note for the Preserve. This note was repaid in full during March 2022.

THE BLACK ROCK FOREST CONSORTIUM, INC.
d/b/a BLACK ROCK FOREST

Notes to Financial Statements (continued)
September 30, 2022 and September 30, 2021

Note 10 – 401(k) plan

The Consortium maintains a 401(k) plan for all eligible employees. Participants may defer a portion of their annual compensation in accordance with the limits established by the Internal Revenue Code. The Consortium made contributions to the plan totaling \$70,351 and \$61,739 for the 2022 and 2021 fiscal years, respectively.

Note 11 – Paycheck Protection Program loan payable

On April 13, 2020, the Consortium received \$168,304 under the Paycheck Protection Program (“PPP”) from the Small Business Administration (“SBA”) which was a business loan program established under the Coronavirus Aid, Relief and Economic Security Act. The Consortium had elected to record the proceeds as a liability until the loan was, in part or wholly, forgiven and the Consortium was released from having to repay the loan. During 2021, the Consortium expended all of the PPP funds received on qualified expenses and filed an application for PPP loan forgiveness. During August 2021, the PPP loan forgiveness application was approved by the SBA and as a result, the Consortium recorded grant revenue of \$168,304 in the fiscal 2021 financial statements.

Note 12 – Tax status

The Consortium is a not-for-profit organization and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Consortium has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation, under the meaning of 509(a)(2) of the Code. The Consortium qualifies for the maximum charitable contribution deduction by donors.