

**ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY CONSOLIDATING INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2017

**ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.**

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SAXTON KOCUR
AND ASSOCIATES, LLP
Certified Public Accountants

301 East Second Street • Suite 303 • Jamestown, NY 14701 • P: (716) 483-6109 • F: (716) 483-2511

Independent Auditors' Report

To the Trustees of Roger Tory Peterson
Institute of Natural History and Roger Tory
Peterson Institute Foundation, Inc.
Jamestown, New York

We have audited the accompanying consolidated financial statements of Roger Tory Peterson Institute of Natural History and Roger Tory Peterson Institute Foundation, Inc., which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Roger Tory Peterson Institute of Natural History and Roger Tory Peterson Institute Foundation, Inc. as of December 31, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary consolidating information in Schedules I-III on pages 16-18 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, change in net asset, and cash flows of the individual entities, and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 to the consolidated financial statements as a whole.

Saxton, Kocur and Associates, LLP

Saxton, Kocur and Associates, LLP
July 26, 2018

**ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 104,882
Promises to give	2,877
Promise to give - free rent and utilities	183,033
Accounts receivable	10,092
Inventory	19,753
Total current assets	320,637
PROPERTY AND EQUIPMENT, net of accumulated depreciation	12,369
LONG-TERM ASSET - promise to give - free rent and utilities	2,888,234
INVESTMENTS, at fair value	
Unrestricted	553,711
Donor-restricted endowments	986,243
Total investments	1,539,954
OTHER ASSETS	
Life insurance - cash surrender value	68,489
Collections	1,664,819
Total other assets	1,733,308
TOTAL ASSETS	\$ 6,494,502

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 13,565
Accrued expenses	17,878
Total current liabilities	31,443
NET ASSETS	
Unrestricted	1,230,551
Temporarily restricted	3,352,833
Permanently restricted	1,879,675
Total net assets	6,463,059
TOTAL LIABILITIES AND NET ASSETS	\$ 6,494,502

See accompanying notes to consolidated financial statements

**ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, support and gains/(losses):				
Contributions and grants	\$ 136,884	\$ 96,233	\$ -	\$ 233,117
Contribution - free rent and utilities	10,082	131,798	-	141,880
Distributions from funds held by other	40,678	-	-	40,678
Investment return (loss), net of fees	76,554	125,988	-	202,542
Program revenues	77,816	-	-	77,816
Service agreement revenue	154,633	-	-	154,633
Store, net of cost of sales of \$12,632	15,163	-	-	15,163
Change in cash value of life insurance	2,640	-	-	2,640
Other income and reimbursements	5,624	-	-	5,624
Net assets released from restrictions:				
Free rent and utilities	181,219	(181,219)	-	-
Programs and projects	115,461	(115,461)	-	-
	<u>816,754</u>	<u>57,339</u>	<u>-</u>	<u>874,093</u>
Total revenues, support and gains/ (losses)				
Expenses				
Program services:				
Special collections and library	73,795	-	-	73,795
Education	346,312	-	-	346,312
Public services	267,253	-	-	267,253
Total program services	<u>687,360</u>	<u>-</u>	<u>-</u>	<u>687,360</u>
Supporting services:				
Management and general	134,877	-	-	134,877
Development and membership	76,866	-	-	76,866
Total supporting services	<u>211,743</u>	<u>-</u>	<u>-</u>	<u>211,743</u>
Total expenses	<u>899,103</u>	<u>-</u>	<u>-</u>	<u>899,103</u>
CHANGE IN NET ASSETS	(82,349)	57,339	-	(25,010)
NET ASSETS, beginning of year	<u>1,312,900</u>	<u>3,295,494</u>	<u>1,879,675</u>	<u>6,488,069</u>
NET ASSETS, end of year	<u>\$ 1,230,551</u>	<u>\$ 3,352,833</u>	<u>\$ 1,879,675</u>	<u>\$ 6,463,059</u>

See accompanying notes to consolidated financial statements.

**ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Program Services			Supporting Services		Total
	Special Collections and Library	Education	Public Services	Management and General	Development and Membership	
Salaries and benefits	\$ 31,950	\$ 159,749	\$ 191,698	\$ 90,524	\$ 58,574	\$ 532,495
Bank fees and other charges	-	-	1,072	460	-	1,532
Interest	-	-	-	2,043	-	2,043
General program	4,420	66,296	17,679	-	-	88,395
Internet/computer	403	604	403	201	403	2,014
Miscellaneous expense	325	810	1,460	600	325	3,520
Telephone, etc.	841	2,734	1,157	315	210	5,257
Postage expense	224	1,008	1,008	560	2,800	5,600
Printing expense	183	2,559	2,285	457	3,656	9,140
Insurances	3,313	2,209	4,418	1,481	552	11,973
Audit and payroll fees	-	-	-	11,982	-	11,982
Supplies/Library	935	5,236	1,683	467	1,028	9,349
Travel expense	296	4,442	444	740	1,480	7,402
Depreciation	297	1,188	1,860	186	186	3,717
Total routine operating expenses	43,187	246,835	225,167	110,016	69,214	694,419
Non-routine expenses:						
Free rent and utilities (See Note 10)	30,608	99,477	42,086	11,478	7,652	191,301
Donor's life insurance policy premium payment (See Note 4)	-	-	-	13,383	-	13,383
Total expenses	\$ 73,795	\$ 346,312	\$ 267,253	\$ 134,877	\$ 76,866	\$ 899,103

See accompanying notes to consolidated financial statements.

**ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (25,010)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	3,717
Change in cash surrender value of life insurance policy	(2,640)
Realized (gain)/loss on investments	(20,190)
Unrealized (gain)/loss on endowment investments	(147,903)
Reinvested investment interest and dividends, net of fees	(34,448)
(Increase) decrease in:	
Promises to give	17,423
Promise to give - free rent and utilities	49,422
Accounts receivable	14,723
Prepaid expenses	3,159
Inventory	(2,722)
Increase (decrease) in:	
Accounts payable	(7,658)
Accrued expenses	481
Deferred revenue - event sponsorship	<u>(7,500)</u>
Net cash used by operating activities	<u>(159,146)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Proceeds from sale of investments	<u>275,836</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Line of credit borrowings	51,000
Line of credit repayments	(75,000)
Payoff of life insurance loan	<u>(30,598)</u>
Net cash used by financing activities	<u>(54,598)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	62,092
CASH AND CASH EQUIVALENTS, beginning	<u>42,790</u>
CASH AND CASH EQUIVALENTS, ending	<u><u>\$ 104,882</u></u>
SUPPLEMENTAL CASH FLOW DISCLOSURE	
Cash paid for interest during the year:	\$ 2,043

See accompanying notes to consolidated financial statements.

**ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

ORGANIZATIONAL BACKGROUND - The Roger Tory Peterson Institute of Natural History (the Institute), a non-profit organization, is the official institutional steward of Dr. Roger Tory Peterson's body of work and his enduring legacy. It is our mission to successfully foster understanding, appreciation and protection of the natural world in the spirit of Dr. Peterson's many accomplishments.

Roger Tory Peterson was the preeminent American naturalist who illustrated and chronicled the natural world to the public in the 20th century. Over a long career that began with nature study in the seventh grade in Jamestown, New York, he observed, recorded and published for lay audiences the incredible beauty and diversity of plants and animals from North America and around the world. The publication of his "A Field Guide to The Birds" in 1934 fostered a massive and worldwide movement connecting human beings with their natural surroundings. The Institute holds and preserves Dr. Peterson's lifetime work of writings, drawings, paintings, photography, films, and artifacts in an award-winning center in Jamestown, NY.

The Institute provides a powerful synergy of art, education and conservation that is positively focused on natural history and the environment. Its message is greatly amplified by the meaningful connections between these three organizational 'pillars' and is founded in the creative and innovative body of work by Dr. Peterson that advanced environmental awareness and protection throughout the 20th century. In this spirit, The Institute continues to develop and implement meaningful nature-oriented art, education, and conservation initiatives that open people's eyes to the natural world around them - initiatives that are focused on place but are connected through a global framework.

To accomplish its mission, the Institute reaches diverse audiences, by providing stimulating programs and exhibits for adults and children in its award-winning facility; by offering live and distance learning classes both at its local headquarters and through institutions of higher learning; by organizing, preserving and making broadly available the works and methods of Dr. Peterson; by creating and disseminating materials and methods to assist teachers and other professionals to introduce and explain the natural world to the general public; and by collaborating with like-minded partners to create and to support national research, competitions and awards in natural history.

Roger Tory Peterson Institute Foundation, Inc. (the Foundation), a non-profit organization, was organized in 1999 to hold gifts and bequests for the Foundation's stated purpose, to support the Institute.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION - These consolidated financial statements include accounts and transactions of the Institute and the Foundation (collectively, the Organization). All significant inter-entity transactions and balances have been eliminated.

BASIS OF ACCOUNTING - These consolidated financial statements have been prepared on the accrual basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

CONTRIBUTIONS AND PROMISES TO GIVE - Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Promises to give are stated at the amount management expects to collect from outstanding balances. Management expects to collect all promises to give at December 31, 2017, and therefore, there is no provision for allowance for uncollectible promises to give at December 31, 2017.

The Organization has been notified that it is mentioned in other wills but the amounts cannot be determined at this time. Conditional promises to give are recognized as revenues only when the conditions on which they depend are substantially met and the promises become unconditional.

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

CASH AND CASH EQUIVALENTS - The Organization consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and money market funds included in *Investments* are not considered as cash and cash equivalents for purposes of these financial statements.

INVENTORY - Gift shop inventory is valued at lower of cost (FIFO) or net realizable value.

PROPERTY AND EQUIPMENT - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Institute reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Institute reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method. The Organization capitalizes property and equipment having a value or cost in excess of \$500 and estimated useful lives of three years or more.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

INCOME TAXES - The Institute and the Foundation are separate legal entities and are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and from New York State income taxes under Article 7-A of the Executive Law. Therefore, no provision has been made for federal or state income taxes in these consolidated financial statements. In addition, both the Institute and Foundation qualify for the charitable contribution deduction under IRC Section 170(b)(1)(A) and both have been classified as a organization other than a private foundation under Section 509(a)(3). The Foundation meets the criteria of a 509(a)(3), Type I supporting organization of the Institute.

In accordance with U.S. generally accepted accounting principles, the Organization has adopted provision relating to accounting for uncertainty in income taxes. Management of the Organization has evaluated its tax positions and determined that such positions are more-likely-than-not to be sustained on examination.

The Institute and Foundation file separate exempt organization returns with federal and New York State jurisdictions. The returns filed for 2014 and subsequent years are still open to examination, generally for three years after filing.

COLLECTIONS - Collection items are stated at cost if purchased, or if donated, at fair market value at the date of donation. The collection items are not depreciated by the Organization.

FAIR VALUES OF FINANCIAL INSTRUMENTS - The carrying amounts of cash, cash equivalents and promises to give approximate fair value due to the short-term maturities of those instruments.

ADVERTISING - The Organization uses advertising to promote its propose and programs. Advertising costs are expensed as incurred. Expense for the year was \$8,988.

EXPENSE ALLOCATION - The cost of providing various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

SUBSEQUENT EVENTS - Subsequent events were evaluated through July 26, 2018, which is the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

Equipment	\$ 398,873
Furniture, fixtures and other	124,394
	<hr/>
	523,267
Less accumulated depreciation	510,898
	<hr/>
	\$ 12,369
	<hr/>

Depreciation expense for the year was \$3,717.

NOTE 3 - INVESTMENTS

Investments in money market funds, individual equity and debt securities, mutual funds and exchange-traded funds (ETFs) are carried at fair value.

Fair Value Measurements at Reporting Date - All investment held by the Organization are reported at fair value based on Level 1 inputs. Level 1 inputs consist of unadjusted quoted prices in active markets.

The following schedule summarizes the investments at December 31:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>
Unrestricted:			
<i><u>Institute held investments:</u></i>			
Cash and money market funds	\$ 35,782	\$ 35,782	\$ -
<i><u>Foundation held investments:</u></i>			
Money market funds	37,350	37,350	-
Equities	68,972	53,216	15,756
Mutual funds - equities	38,355	28,330	10,026
Exchange-traded funds (ETFs):			
Equities	225,348	169,497	55,851
Bonds and other debt	79,538	77,247	2,291
Corporate bonds	68,366	66,538	1,828
	<u>517,929</u>	<u>432,178</u>	<u>85,751</u>
 Total unrestricted investments	 <u>553,711</u>	 <u>467,960</u>	 <u>85,751</u>
Donor-restricted endowments:			
<i><u>Foundation held investments:</u></i>			
Money market funds	50,386	50,386	-
Equities	226,041	174,404	51,637
Mutual funds - equities	125,700	92,843	32,856
Exchange-traded funds (ETFs):			
Equities	271,260	210,707	60,553
Bonds and other debt	88,802	86,245	2,557
Corporate bonds	224,054	218,065	5,989
Total endowment investments	<u>986,243</u>	<u>832,650</u>	<u>153,593</u>
 Total investments	 <u>\$ 1,539,954</u>	 <u>\$ 1,300,610</u>	 <u>\$ 239,344</u>

Investment return (loss) as reported on the consolidated statement of activities consisted of the following:

Interest and dividends	\$ 41,792
Realized gain/(loss)	20,190
Unrealized gain/(loss)	147,903
Investment fees	<u>(7,343)</u>
Net investment return (loss)	<u>\$ 202,542</u>

NOTE 4 - OTHER ASSETS

A \$500,000 life insurance policy was purchased by a donor on his life with the Institute named as owner. Each year the donor has contributed an amount equal to the annual policy premium of \$13,383. The Institute uses this contribution to make the annual premium payment on the policy. The policy is reported at its cash surrender value of \$68,489 as of December 31, 2017.

\$1,129,547 of collection items are permanently restricted by the donors (Note 7).

NOTE 5 - DONOR-RESTRICTED ENDOWMENTS

As non-profit organizations formed and located in the State of New York, the Institute and Foundation followed the Uniform Management of Institution Funds Act of 1972 (UMIFA) and its own governing documents relating to any donor-restricted endowments prior to September 17, 2010. Effective September 17, 2010, such donor-restricted endowments are governed under the State of New York's version of the Uniform Prudent Management of Institutional Fund Act (NYPMIFA). In 2015, the Board of Trustees of both entities formally adopted provisions required under NYPMIFA.

To achieve its objectives, the Organization has an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are to be invested in a well-diversified investment mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions of 4%-5% to RTPPI, while growing the funds. In accordance with the policy and goals, allowable endowment investments include income producing equities, mutual funds, exchange-traded funds (ETFs), and other commingled funds. Mutual funds, ETFs and other commingled funds may either be equity, equity-related, or U.S. or Eurodollar fixed income investments. Specific investment decisions are to be the responsibility of the investment company selected by the Organization to manage endowment funds.

Committees provide internal oversight and choose investment management for external development of the invested funds. Agreements with external investment managers may be terminated by the Foundation at any time, without penalty, upon not more than sixty days notice.

The composition of the Foundation's donor-restricted endowment assets as of December 31, 2017, and the changes in such for the year then ended, are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Assets
December 31, 2016	\$ -	\$ 110,327	\$ 749,928	\$ 860,255
Contributions	-	-	-	-
Investment income, net of fees	-	18,899	-	18,899
Realized/unrealized gains (losses)	-	107,089	-	107,089
December 31, 2017	<u>\$ -</u>	<u>\$ 236,315</u>	<u>\$ 749,928</u>	<u>\$ 986,243</u>

At December 31, 2017, the \$236,315 was temporarily restricted for the support of the Institute until appropriated by the Foundation's board of trustees (Note 7).

NOTE 6 - LINE OF CREDIT

The Organization has a line of credit (the Institute's line) that provides for borrowings up to \$50,000. There was no outstanding balance at December 31, 2017. Interest is at prime plus 1%. Interest expense for the year was \$2,043.

NOTE 7 - RESTRICTED NET ASSETS

Temporarily restricted net assets available for the following uses and/or periods:

General operations for subsequent year(s) - endowment earnings	\$ 236,315
General operations for 2018 - The Lenna Foundation grant	30,000
Free rent and utilities 2018 - 2043 (Note 10)	3,071,267
Hellbender Program tank and equipment	2,000
Project Wild America Youth Ambassador Program	10,751
World Class Nature Art Exhibits marketing	<u>2,500</u>
	<u>\$ 3,352,833</u>

The \$236,315 restricted for general operations is the temporarily restricted portion of donor-restricted endowment assets available for operations when appropriated by the board of trustees of the Foundation (Note 5).

Permanently net assets consisted of the following:

Collection items (Note 4)	\$ 1,119,747
Donor-restricted endowment investments (Note 5)	<u>749,928</u>
	<u>\$ 1,869,675</u>

NOTE 8 - EMPLOYEE RETIREMENT PLAN

The Organization sponsors a defined contribution money purchase plan (the Plan) covering Institute employees meeting the Plan's eligibility requirements. Employer required contributions are 8% (reduced to 3% in October, 2017) of eligible employees' wages. The Plan operates under IRC Section 403(b) and uses fixed-dollar and variable annuities offered through TIAA-CREF to provide for benefits. Plan expense for the year was \$26,564.

NOTE 9 - FUNDS AT CHAUTAUQUA REGION COMMUNITY FOUNDATION

The Organization is the named recipient of annual income from several permanent and designated funds held by the Chautauqua Region Community Foundation (CRCF) on behalf of the Institute. Each fund allocates all or a percentage of its annual distributable income to the Institute. CRCF maintains the unilateral right to redirect future income.

At December 31, 2017, the values of the funds as reported by CRCF, were:

Irene B. Eckberg The Institute Fund	\$	209,086
Allen R. and Margaret H. Findlay Fund	*	96,660
Roger Tory Peterson Institute Fund		20,315
G. Dewey and Myrna E. Spencer Larson Memorial Fund		21,251
Robert and Patricia Sundell Environmental Fund	*	14,165
C. Malcolm and Jeannette M. Nichols The Institute Fund		526,443
Stanley A. Weeks Charitable Legacy Fund	*	338,694
Robert S. and Je'Anne Bargar Fund	*	8,822
		<u>1,235,436</u>

* Value based on the Institute's percentage share of annual distributable income from the fund.

In 2017, the Organization received \$40,678 of income distributions from these funds.

NOTE 10 - PROMISE TO GIVE - FREE RENT AND UTILITIES

In 2013, the Organization (the Institute) transferred (contributed) its land and buildings to Jamestown Community College Region (JCC) for \$1. In exchange, JCC is leasing the same property back to the Organization at a \$1 year for a term of thirty (30) years ending in 2043, and continuing thereafter as mutually agreed. The lease also includes payment by JCC of all utilities of the building. Based on the favorable lease terms, the Organization has an unconditional promise to give receivable of \$3,071,267 on the consolidated statement of financial position at December 31, 2017, and also a temporarily restricted net asset of the same amount at December 31, 2017 (Note 7).

The \$3,071,267 at December 31, 2017, was determined as follows:

Undiscounted fair value of free rent through 2043	\$	4,503,802
Undiscounted fair value of free utilities through 2043		743,335
		<u>5,247,137</u>
Unamortized discount for present value of free rent and utilities		(2,175,870)
		<u>3,071,267</u>
Less current portion		(183,033)
		<u>2,888,234</u>

NOTE 10 - PROMISE TO GIVE - FREE RENT AND UTILITIES, continued

For 2017, the fair value of free rent and utilities reported as both unrestricted revenue and expense on the consolidated statement of activities was \$191,301.

Promise to give at December 31, 2017, is as follows:

Receivable in less than one year	\$ 183,033
Receivable in one to five years	942,986
Receivable in more than five years	<u>4,121,118</u>
Total promise to give	5,247,137
Less discount to net present value	<u>(2,175,870)</u>
Net promise to give	<u><u>\$ 3,071,267</u></u>

The promise to give is discounted at 4%.

SUPPLEMENTARY CONSOLIDATING INFORMATION

**ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.
SCHEDULE I - CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017**

ASSETS

	Institute	Foundation	Consolidating Adjustments	Consolidated Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 104,882	\$ -	\$ -	\$ 104,882
Due from Foundation	29,373	-	(29,373)	-
Promises to give	2,877	-	-	2,877
Promise to give - free rent and utilities	183,033	-	-	183,033
Accounts receivable	10,092	-	-	10,092
Inventory	19,753	-	-	19,753
Total current assets	<u>350,010</u>	<u>-</u>	<u>(29,373)</u>	<u>320,637</u>
PROPERTY AND EQUIPMENT, net of accumulated depreciation	<u>12,369</u>	<u>-</u>	<u>-</u>	<u>12,369</u>
LONG-TERM ASSETS				
Promises to give - free rent and utilities	2,888,234	-	-	2,888,234
Loan receivable	-	30,600	(30,600)	-
Total long-term assets	<u>2,888,234</u>	<u>30,600</u>	<u>(30,600)</u>	<u>2,888,234</u>
INVESTMENTS, at fair value				
Unrestricted	35,782	517,929	-	553,711
Donor-restricted endowments	-	986,243	-	986,243
Total investments	<u>35,782</u>	<u>1,504,172</u>	<u>-</u>	<u>1,539,954</u>
OTHER ASSETS				
Life insurance - cash value, net of loan	68,489	-	-	68,489
Collections	1,664,819	-	-	1,664,819
Total other assets	<u>1,733,308</u>	<u>-</u>	<u>-</u>	<u>1,733,308</u>
TOTAL ASSETS	<u>\$ 5,019,703</u>	<u>\$ 1,534,772</u>	<u>\$ (59,973)</u>	<u>\$ 6,494,502</u>

LIABILITIES AND NET ASSETS

	Institute	Foundation	Consolidating Adjustments	Consolidated Total
CURRENT LIABILITIES				
Accounts payable	\$ 13,565	\$ -	\$ -	\$ 13,565
Accrued expenses	17,603	275	-	17,878
Due to Institute	-	29,373	(29,373)	-
Total current liabilities	<u>31,168</u>	<u>29,648</u>	<u>(29,373)</u>	<u>31,443</u>
LONG-TERM LIABILITY - loan payable	<u>30,600</u>	<u>-</u>	<u>(30,600)</u>	<u>-</u>
NET ASSETS				
Unrestricted	711,670	518,881	-	1,230,551
Temporarily restricted	3,116,518	236,315	-	3,352,833
Permanently restricted	1,129,747	749,928	-	1,879,675
Total net assets	<u>4,957,935</u>	<u>1,505,124</u>	<u>-</u>	<u>6,463,059</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,019,703</u>	<u>\$ 1,534,772</u>	<u>\$ (59,973)</u>	<u>\$ 6,494,502</u>

ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.
SCHEDULE II - CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Unrestricted			Temporarily Restricted			Permanently Restricted			Consolidated Permanently Restricted	Consolidated Total
	Institute	Foundation	Consolidating Adjustments	Institute	Foundation	Consolidating Adjustments	Institute	Foundation	Consolidating Adjustments		
Revenues, support and gains/(losses):											
Distributions from Foundation	\$ 117,000	\$ -	\$ (117,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and grants	136,884	-	-	96,233	-	-	-	-	-	96,233	233,117
Contribution - free rent and utilities	10,082	-	-	131,798	-	-	-	-	-	131,798	141,880
Distributions from funds held by other	40,678	-	-	40,678	-	-	-	-	-	-	40,678
Investment return (loss), net of fees	9,574	66,980	-	76,554	125,988	-	-	-	-	125,988	202,542
Program revenues	77,816	-	-	77,816	-	-	-	-	-	-	77,816
Service agreement revenue	178,329	-	(23,696)	154,633	-	-	-	-	-	-	154,633
Store, net of cost of sales of \$12,632	15,163	-	-	15,163	-	-	-	-	-	-	15,163
Change in cash value of life insurance	2,640	-	-	2,640	-	-	-	-	-	-	2,640
Other income and reimbursements	11,529	-	(5,905)	5,624	-	-	-	-	-	-	5,624
Net assets released from restrictions:											
Free rent and utilities	181,219	-	-	(181,219)	-	-	-	-	-	(181,219)	-
Programs and projects	115,461	-	-	(115,461)	-	-	-	-	-	(115,461)	-
Total revenues, support and gains/(losses)	896,375	66,980	(146,601)	816,754	125,988	(68,649)	(68,649)	125,988	-	57,339	874,093
Expenses											
Program services:											
Special collections and library	73,795	-	-	73,795	-	-	-	-	-	-	73,795
Education	346,312	-	-	346,312	-	-	-	-	-	-	346,312
Public services	267,253	-	-	267,253	-	-	-	-	-	-	267,253
Total program services	687,360	-	-	687,360	-	-	-	-	-	-	687,360
Supporting services:											
Distributions to Institute	-	117,000	(117,000)	-	-	-	-	-	-	-	-
Management and general	129,923	28,650	(23,696)	134,877	-	-	-	-	-	-	134,877
Development and membership	76,866	5,905	(5,905)	76,866	-	-	-	-	-	-	76,866
Total supporting services	206,789	151,555	(146,601)	211,743	-	-	-	-	-	-	211,743
Total expenses	894,149	151,555	(146,601)	899,103	-	-	-	-	-	-	899,103
Change in net assets	2,226	(84,575)	-	(82,349)	125,988	(68,649)	(68,649)	125,988	-	57,339	(25,010)
NET ASSETS, beginning of year	709,444	603,456	-	1,312,900	110,327	3,185,167	1,129,747	749,928	-	3,295,494	6,488,069
NET ASSETS, end of year	\$ 711,670	\$ 518,881	\$ -	\$ 1,230,551	\$ 236,315	\$ 3,116,518	\$ 1,129,747	\$ 749,928	\$ -	\$ 3,352,833	\$ 6,463,059

ROGER TORY PETERSON INSTITUTE OF NATURAL HISTORY
AND ROGER TORY PETERSON INSTITUTE FOUNDATION, INC.
SCHEDULE III - CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Services				Management and General				Supporting Services				Consolidated Total
	Special Collections and Library Institute	Education Institute	Public Services Institute	Institute	Institute	Foundation	Consolidating Adjustment	Consolidated Management and General	Institute	Foundation	Consolidating Adjustment	Development and Membership	
Distributions to Institute	\$ 31,950	\$ 159,749	\$ 191,698	\$ -	\$ 90,524	\$ 117,000	\$ (117,000)	\$ 90,524	\$ 58,574	\$ -	\$ -	\$ -	\$ 58,574
Salaries and benefits	-	-	1,072	-	460	-	-	460	-	-	-	-	-
Bank fees and other charges	-	-	-	-	2,043	-	-	2,043	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
General program	4,420	66,296	17,679	-	-	-	-	-	403	-	-	-	403
Internet/computer	403	604	403	-	-	-	-	201	325	-	-	-	325
Miscellaneous expense	325	810	1,460	-	325	275	-	600	210	-	-	-	325
Minor equipment and computers	841	2,734	1,157	-	315	-	-	315	2,800	-	-	-	210
Postage expense	224	1,008	1,008	-	560	-	-	560	3,656	-	-	-	2,800
Printing expense	183	2,559	2,285	-	457	-	-	457	552	-	-	-	3,656
Insurances	3,313	2,209	4,418	-	8,232	3,750	-	1,481	-	-	-	-	552
Audit and payroll fees	-	-	-	-	-	23,696	(23,696)	11,982	-	-	-	-	-
Professional and administrative fees	-	-	-	-	-	-	-	-	5,905	(5,905)	-	-	-
Supplies/Library	935	5,236	1,683	-	467	-	-	467	1,028	-	-	-	1,028
Travel expense	296	4,442	444	-	740	-	-	740	1,480	-	-	-	1,480
Depreciation	297	1,188	1,860	-	186	-	-	186	186	-	-	-	186
Total routine operating expenses	43,187	246,835	225,167	105,062	145,650	(140,696)	110,016	69,214	5,905	(5,905)	69,214	69,214	
Non-routine expenses:													
Free rent and utilities	30,608	99,477	42,086	11,478	-	-	11,478	7,652	-	-	-	7,652	191,301
Donor's life insurance policy premium payment	-	-	-	13,383	-	-	-	13,383	-	-	-	-	13,383
Total expenses	\$ 73,795	\$ 346,312	\$ 267,253	\$ 129,923	\$ 145,650	\$ (140,696)	\$ 134,877	\$ 76,866	\$ 5,905	\$ (5,905)	\$ 76,866	\$ 76,866	\$ 899,103