

**NEW YORK CITY
AUDUBON SOCIETY, INC.**

FINANCIAL STATEMENTS

**YEARS ENDED
MARCH 31, 2022 AND 2021**

HOBERTMAN & LESSER

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NEW YORK CITY AUDUBON SOCIETY, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
New York City Audubon Society, Inc.
New York, New York

Opinion

We have audited the accompanying financial statements of New York City Audubon Society, Inc. (a non-profit organization) which comprise the statements of financial position as of March 31, 2022 and 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 New York City Audubon Society, Inc. as of March 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 New York City Audubon Society, Inc. 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 New York City Audubon Society, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 New York City Audubon Society, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New York City Audubon Society, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Hoberman + Lesser CPAs, LLP

New York, New York
December 16, 2022

NEW YORK CITY AUDUBON SOCIETY, INC.

Statements of Financial Position As of March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$112,436	\$ 244,859
Grants and pledges receivable	92,417	110,360
Investments	615,327	709,766
Prepaid expenses and other current assets	<u>8,956</u>	<u>3,577</u>
Total Current Assets	829,136	1,068,562
Property and equipment , less accumulated depreciation of \$156,378 and \$136,775	39,239	58,842
Other Assets		
Security deposit	<u>9,335</u>	<u>9,335</u>
Total Assets	<u>\$877,710</u>	<u>\$1,136,739</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 70,503	\$ 38,970
Deferred revenue	31,756	3,793
Deferred rent	<u> </u>	<u>3,479</u>
Total Current Liabilities	<u>102,259</u>	<u>46,242</u>
Long-Term Liabilities		
Loans payable – Paycheck Protection Program	<u> </u>	<u>368,584</u>
Total Liabilities	<u>102,259</u>	<u>414,826</u>
Commitments		
Net Assets		
Net assets without donor restrictions	589,686	526,125
Net assets with donor restrictions	<u>185,765</u>	<u>195,788</u>
Total Net Assets	<u>775,451</u>	<u>721,913</u>
Total Liabilities and Net Assets	<u>\$877,710</u>	<u>\$1,136,739</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Statement of Activities Year Ended March 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Grants and contributions	\$ 562,213	\$244,996	\$ 807,209
Paycheck Protection Program loan forgiveness	368,584		368,584
Membership dues	121,853		121,853
Special events	\$277,635		
Direct costs to donors	(61,584)		
Program service revenue	50,552		50,552
Investment income, net of investment fees of \$4,897	3,868		3,868
Royalties	493		493
Realized gain on investments	109,124		109,124
Unrealized loss on investments	(68,813)		(68,813)
Net assets released from restrictions	<u>255,019</u>	<u>(255,019)</u>	
Net Revenue	<u>1,618,944</u>	<u>(10,023)</u>	<u>1,608,921</u>
Expenses			
Program services:			
Conservation	604,073		604,073
Membership	79,693		79,693
Education	<u>517,737</u>		<u>517,737</u>
Total Program Expenses	1,201,503	_____	1,201,503
Management and general	124,447		124,447
Fundraising	<u>229,433</u>	_____	<u>229,433</u>
Total Operating Expenses	<u>1,555,383</u>	_____	<u>1,555,383</u>
Change in Net Assets	63,561	(10,023)	53,538
Net Assets - Beginning	<u>526,125</u>	<u>195,788</u>	<u>721,913</u>
Net Assets - Ending	<u>\$ 589,686</u>	<u>\$185,765</u>	<u>\$ 775,451</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Statement of Activities Year Ended March 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Grants and contributions	\$ 431,356	\$391,517	\$ 822,873
Membership dues	118,285		118,285
Special events	\$234,196		
Direct costs to donors	(4,310)		
Program service revenue	18,017		18,017
Investment income, net of investment fees of \$4,527	4,336		4,336
Royalties	454		454
Realized gain on investments	43,076		43,076
Unrealized gain on investments	137,386		137,386
Net assets released from restrictions	<u>286,866</u>	(286,866)	
Net Revenue	<u>1,269,662</u>	<u>104,651</u>	<u>1,374,313</u>
Expenses			
Program services:			
Conservation	364,667		364,667
Membership	88,091		88,091
Education	<u>525,782</u>		<u>525,782</u>
Total Program Expenses	978,540		978,540
Management and general	115,521		115,521
Fundraising	<u>195,431</u>		<u>195,431</u>
Total Operating Expenses	<u>1,289,492</u>		<u>1,289,492</u>
Change in Net Assets	(19,830)	104,651	84,821
Net Assets - Beginning	<u>545,955</u>	<u>91,137</u>	<u>637,092</u>
Net Assets - Ending	<u>\$ 526,125</u>	<u>\$195,788</u>	<u>\$ 721,913</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Statement of Functional Expenses Year Ended March 31, 2022

	Program Services			Supporting Services		Total
	Conservation	Membership	Education	Management and General	Fundraising	
Payroll	\$340,076	\$ 49,613	\$293,356	\$ 48,860	\$128,273	\$ 860,178
Payroll related expenses	<u>58,881</u>	<u>15,422</u>	<u>78,714</u>	<u>8,931</u>	<u>17,571</u>	<u>179,519</u>
Total Payroll and Related Expenses	398,957	65,035	372,070	57,791	145,844	1,039,697
Professional fees	18,434	2,432	15,799	17,582	12,982	67,229
Printing and newsletter	1,718	626	22,935	1,221	15,528	42,028
Postage	521	2,657	7,618	332	8,009	19,137
Telecommunications	1,928	254	1,652	1,839	929	6,602
Occupancy	29,641	3,910	25,405	28,272	14,280	101,508
Insurance	4,255	561	3,647	4,058	2,231	14,752
Supplies	15,553	461	3,781	3,331	2,595	25,721
Dues	413	41	435	295	149	1,333
Field trip and public programs	6,093	15	961			7,069
Program consultant	114,031		38,042		11,484	163,557
Service charges	395	2,379	3,714	370	6,593	13,451
Miscellaneous	2,964	326	2,417	2,153	2,775	10,635
Information technology	2,349	103	12,876	744	2,771	18,843
Advertising	1,097	138	1,479	999	505	4,218
Depreciation	<u>5,724</u>	<u>755</u>	<u>4,906</u>	<u>5,460</u>	<u>2,758</u>	<u>19,603</u>
Total Expenses	<u>\$604,073</u>	<u>\$79,693</u>	<u>\$517,737</u>	<u>\$124,447</u>	<u>\$229,433</u>	<u>\$1,555,383</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Statement of Functional Expenses Year Ended March 31, 2021

	Program Services			Supporting Services		Total
	Conservation	Membership	Education	Management and General	Fundraising	
Payroll	\$211,722	\$ 53,125	\$323,626	\$ 48,558	\$113,631	\$ 750,662
Payroll related expenses	<u>50,103</u>	<u>11,240</u>	<u>86,540</u>	<u>18,020</u>	<u>15,420</u>	<u>181,323</u>
Total Payroll and Related Expenses	<u>261,825</u>	<u>64,365</u>	<u>410,166</u>	<u>66,578</u>	<u>129,051</u>	<u>931,985</u>
Professional fees	2,593	626	3,738	3,591	8,888	19,436
Printing and newsletter	158	38	17,573	219	13,210	31,198
Postage	428	2,900	3,476	507	7,710	15,021
Telecommunications	1,588	384	2,290	2,199	870	7,331
Occupancy	21,819	5,272	31,461	30,222	11,952	100,726
Insurance	3,210	775	4,626	4,444	1,758	14,813
Supplies	7,697	386	2,394	1,854	951	13,282
Dues	282	35	307	198	279	1,101
Field trip and public programs	1,721	3	3,100	19	508	5,351
Program consultant	58,751	300	32,828		3,905	95,784
Service charges	958	1,976	1,490	1,161	9,557	15,142
Fundraising					3,751	3,751
Miscellaneous	338	15	379	87	280	1,099
Information technology	582	10,377	6,432	775	1,311	19,477
Advertising	551	133	1,280	764	302	3,030
Transportation	70		1,220			1,290
Depreciation	<u>2,096</u>	<u>506</u>	<u>3,022</u>	<u>2,903</u>	<u>1,148</u>	<u>9,675</u>
Total Expenses	<u>\$364,667</u>	<u>\$88,091</u>	<u>\$525,782</u>	<u>\$115,521</u>	<u>\$195,431</u>	<u>\$1,289,492</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Statements of Cash Flows Years Ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Increase in net assets	\$ 53,538	\$ 84,821
Adjustments to Reconcile Increase in Net Assets to Net Cash Used in Operating Activities		
Depreciation	19,603	9,675
Unrealized loss (gain) on investments held for sale	68,813	(137,386)
Realized gain on sale of investments	(109,124)	(43,076)
Deferred rent	(3,479)	(2,479)
Donated stock	(94,180)	
Paycheck Protection Program loan forgiveness	(368,584)	
Changes in Operating Assets and Liabilities		
Grants and pledges receivable	17,943	39,996
Prepaid expenses and other current assets	(5,379)	19,699
Accounts payable and accrued expenses	31,533	(134,282)
Deferred revenue	<u>27,963</u>	<u>(61,603)</u>
Net Cash Used in Operating Activities	<u>(361,353)</u>	<u>(224,635)</u>
Cash Flows from Investing Activities		
Acquisition of property and equipment		(14,419)
Purchase of investments	(178,859)	(139,514)
Net proceeds from sale of investments	<u>407,789</u>	<u>163,714</u>
Net Cash Provided by Investing Activities	<u>228,930</u>	<u>9,781</u>
Cash Flows from Financing Activities		
Proceeds from loans payable – Paycheck Protection Program	<u> </u>	<u>368,584</u>
Net Cash Provided by Financing Activities	<u> </u>	<u>368,584</u>
Net (Decrease) Increase in Cash	(132,423)	153,730
Beginning – Cash and Cash Equivalents	<u>244,859</u>	<u>91,129</u>
Ending – Cash and Cash Equivalents	<u>\$112,436</u>	<u>\$244,859</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

1. Summary of Significant Accounting Policies

Organization

The New York City Audubon Society Inc. (“NYC Audubon”) was founded by a group of National Audubon Society member volunteers in 1979. The chapter is among National Audubon Society’s largest with a citywide membership of nearly ten thousand. NYC Audubon is committed to protect and conserve wild birds and wild bird habitats in New York City; educate and inform members and the general public about environmental issues, especially as they affect New York City; study and enjoy birds and other wildlife and foster appreciation of the natural world; cooperate with the National Audubon Society and other conservation organizations in furthering sound environmental practices; serve as a resource and advisor to other groups concerned with specific environmental issues; and defend and improve the quality of green spaces and the environment in New York City for both wildlife and humans.

Basis of Accounting

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

Promises To Give

Contributions are recognized when the donor makes a promise to give to NYC Audubon that is, in substance, unconditional. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable values. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present values of their net realizable values, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Leasehold improvements, office furniture, computer equipment and website are recorded at cost. Depreciation of leasehold improvements is provided by the straight-line method over the shorter of the lease term or the useful life of the improvement. Depreciation of office furniture, computer equipment, and the website is provided by the straight-line method over the estimated useful lives of the related assets.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

1. Summary of Significant Accounting Policies (Continued)

Income Taxes	<p>NYC Audubon qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code.</p> <p>NYC Audubon follows the provisions of Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 740-10-05 relating to accounting and reporting for uncertainty in income taxes. Because of NYC Audubon’s tax-exempt status, ASC 740-10-05 has not had, and is not expected to have, a material impact on the financial statements.</p>
Cash and Cash Equivalents	<p>For purposes of the statement of cash flows, NYC Audubon considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.</p> <p>NYC Audubon maintains cash in accounts which, at times, exceed federally insured limits. NYC Audubon has not experienced any losses in such accounts.</p>
Earned Income	<p>Program service income includes admission revenue to various field trips and events. Revenue is recorded when earned under the terms of the related agreements.</p>
Membership Dues	<p>Membership dues are reported when received.</p>
Functional Expenses	<p>NYC Audubon allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific service are allocated directly according to their natural expenditure classification. Other costs have been allocated among NYC Audubon’s program and supporting services based upon management’s best estimates of the portion of these costs applicable to the program.</p>
Investments	<p>Investments are stated at fair value with the resulting change in unrealized gains or losses included in the statement of activities. The investments consist principally of corporate bonds, stocks and mutual funds. For a discussion of fair value investments see Note 4.</p>
Deferred Revenue	<p>Deferred revenue consists of income received for field trips which have not yet occurred.</p>

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update 2016-02, Leases (Topic 842) ("ASU 2016-02"), which amends the existing accounting standards for leases. The standard is effective for non-public companies for the calendar year ending December 31, 2022. The new standard requires lessees to record a right-of-use ("ROU") asset and a corresponding lease liability on the balance sheet (with the exception of short-term leases), whereas under prior accounting standards, the Company's operating lease is not recognized on its balance sheets.

The new standard also requires expanded disclosures regarding leasing arrangements. NYC Audubon is currently assessing the impact this will have on its financial statements.

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update 2020-07, "Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) ("ASU 2020-07"), which is effective for fiscal years beginning on or after June 15, 2021, and interim periods beginning on or after June 15, 2022. ASU 2020-07 outlines a new presentation and disclosure of the recognition and initial measurement of contributed nonfinancial assets apart from contributions of cash and other financial assets. NYC Audubon is currently assessing the impact this will have on its financial statements.

Net Assets

NYC Audubon is required to report information regarding its financial position and activities according to two classes of net assets. Net assets of NYC Audubon and changes therein are classified and reported as follows:

Without Donor Restrictions - net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of NYC Audubon. NYC Audubon's policy is to designate donor gifts without restriction to the respective areas that NYC Audubon determines it is most needed to further the program.

With Donor Restrictions - net assets which include resources that have been limited by donor-imposed stipulations that either expire with the passage of time and/or can be fulfilled and removed by the actions of NYC Audubon pursuant to those stipulations.

Events Occurring After Reporting Date

NYC Audubon has evaluated events and transactions that occurred between March 31, 2022 and December 16, 2022 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. (See Note 15).

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

2. Grants Receivable Grants receivable consist primarily of grants from various foundations and contributors. Grants are stated at their net realizable values. Management evaluates the collectability of its grants based on certain factors such as historical collection and aging categories. Based on management's assessment, no allowance for doubtful accounts was recorded as of March 31, 2022 and 2021.

3. Financial Assets Available To Meet Cash Needs NYC Audubon's financial assets available within one year of the accompanying statements of financial position for general expenditures at March 31, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Financial assets, at year-end		
Cash and cash equivalents	\$ 112,436	\$ 244,859
Investments	615,327	709,766
Grants and pledges receivable	<u>92,417</u>	<u>110,360</u>
Financial assets available at March 31,	820,180	1,064,985
Less those unavailable for general expenditures within one year, due to donor-imposed restrictions:		
Program related restrictions	(<u>185,765</u>)	(<u>195,788</u>)
Amounts available for general expenditures within one year	<u>\$ 634,415</u>	<u>\$ 869,197</u>

As part of NYC Audubon's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4. Fair Value Measurements

The NYC Audubon's financial instruments consist principally of cash, investments in mutual funds and corporate stocks and bonds. The fair value of a financial instrument is the amount that would be received in an asset sale or paid to transfer a liability in an orderly transaction between unaffiliated market participants. Assets and liabilities measured at fair value are categorized based on whether the inputs are observable in the market and the degree that the inputs are observable. The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

4. Fair Value Measurements (Continued)

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant 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 March 31, 2022 and 2021:

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Corporate Stocks: Valued at the closing price reported on the active market on which the individual stocks are traded.

Investments at fair value as of March 31, 2022 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate stocks	\$408,511			\$408,511
Mutual fund	<u>206,816</u>	_____	_____	<u>206,816</u>
Total Investments at Fair Value	<u>\$615,327</u>	_____	_____	<u>\$615,327</u>

Investments at fair value as of March 31, 2021 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate stocks	\$482,773			\$482,773
Mutual fund	220,261			220,261
Real estate investment trust	<u>6,732</u>	_____	_____	<u>6,732</u>
Total Investments at Fair Value	<u>\$709,766</u>	_____	_____	<u>\$709,766</u>

5. Risks and Uncertainties

NYC Audubon invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

6. Property and Equipment Property and equipment consists of the following:

As of March 31,	<u>2022</u>	<u>2021</u>
Furniture and equipment	\$156,751	\$156,751
Leasehold improvements	2,867	2,867
Website	<u>35,999</u>	<u>35,999</u>
	195,617	195,617
Accumulated depreciation	(156,378)	(136,775)
Total	<u>\$ 39,239</u>	<u>\$ 58,842</u>

7. Employee SIMPLE IRA Plan

NYC Audubon participates in a Savings Incentive Match Plan for Employees (the "Plan"). This Plan covers all eligible salaried employees. Employees may elect to defer a portion of their compensation, and NYC Audubon will match up to 3%. NYC Audubon contributed \$20,353 and \$19,426 to the Plan for the years ended March 31, 2022 and 2021, respectively.

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

As of March 31,	<u>2022</u>	<u>2021</u>
Audit fee	\$ 7,500	\$ 7,000
Payroll	38,877	27,584
Program consultants	10,291	
Other	<u>13,835</u>	<u>4,386</u>
	<u>\$70,503</u>	<u>\$38,970</u>

9. Concentrations

At March 31, 2022, three donors accounted for 93% of grants and pledges receivable.

At March 31, 2021, three donors accounted for 99% of grants and pledges receivable.

During the year ended March 31, 2022 two donors contributed approximately 36% of grant and contribution revenue.

During the year ended March 31, 2021 one donor contributed approximately 13% of grant and contribution revenue.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

10. Commitments

NYC Audubon occupies office space under an operating lease which expired in December 2021. NYC Audubon is currently leasing its office facility on a month-to-month basis and is negotiating a new lease agreement.

Occupancy expense, including electricity, amounted to approximately \$101,500 and \$100,000 for the years ended March 31, 2022 and 2021, respectively.

11. Net Assets With Donor Restrictions

As of March 31,	<u>2022</u>	<u>2021</u>
Grants restricted for future years for various programs	\$ 60,200	\$115,536
Grants restricted for education programs	18,899	18,648
Grants restricted for Waterbirds	32,698	6,500
Grants restricted for green roofs	34,815	55,000
Grant restricted for project safe flight	33,147	
Grants restricted for miscellaneous programs	<u>6,006</u>	<u>104</u>
Total	<u>\$185,765</u>	<u>\$195,788</u>

12. Related Party Transactions

During the years ended March 31, 2022 and 2021, NYC Audubon received \$18,641 and \$18,607, respectively, in Chapter Baseline funding from the National Audubon Society Inc., which is included in membership fees.

During the year ended March 31, 2021 NYC Audubon received contributions and grant income of \$5,425 from the National Audubon Society.

During the year ended March 31, 2022, sixteen board members contributed \$56,161 of grant and contribution income and twenty board members contributed \$95,128 of gross special events revenue.

During the year ended March 31, 2021, fourteen board members contributed \$90,086 of grant and contribution income and twenty one board members contributed \$63,925 of gross special events revenue.

During the years ended March 31, 2022 and 2021, NYC Audubon received \$123,049 and \$76,031, respectively, in grant income from an organization whose president is a board member.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

13. Trust and Bequests

NYC Audubon has been named the remainder beneficiary of a charitable remainder unitrust. The income beneficiary is to receive, first from income and, to the extent that income is insufficient, from principal, a total annuity each year equal to a fixed percentage of the net fair market value of the trust assets as described in the agreement. Upon the death of the income beneficiary, the remaining principal of the trust is to be distributed in equal parts to four charitable organizations, among them NYC Audubon. At March 31, 2022, the value of the trust was \$1,354,744. The expected future value of NYC Audubon's beneficial interest in the trust is estimated to be \$338,686.

NYC Audubon records income from trusts and bequests when received.

14. COVID-19 Contingency

On March 11, 2020, the World Health Organization declared the outbreak of a novel strain of coronavirus, also known as COVID-19, a global pandemic. Due to the pandemic, there has been uncertainty and disruption in the U.S. and global economies and significant volatility of financial markets. NYC Audubon has closely monitored the impact of the pandemic, which continues to evolve, and its effects and risks on operations, liquidity, financial condition, and financial results, and intends to continue to monitor the impact.

While the full impact of COVID-19, including the duration and severity of the pandemic, remains unknown, NYC Audubon has made appropriate determinations based on the facts and circumstances available as of the reporting date. Specifically, NYC Audubon continues to monitor the impact of the pandemic on its current donors' ability to continue to help fund NYC Audubon, as well as the impact on fundraising and receiving new donations. In addition, NYC Audubon continues to monitor its budgets and how they are impacted due to limited social events and travel from COVID-19. It is not possible for NYC Audubon to predict the duration or magnitude of the adverse results of the outbreak and its effect on its donors and future contributions.

15. Paycheck Protection Program Loan

NYC Audubon executed an unsecured note and received a loan (the "PPP Loan") from its bank, under the Paycheck Protection Program ("PPP") which was established under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and is administered by the U.S. Small Business Administration ("SBA"). During April 2020, NYC Audubon received its first PPP Loan in the amount of \$184,292. The proceeds from the PPP Loan were used in accordance with the terms of the CARES Act program, as described further below. During February 2021, NYC Audubon received a second PPP loan in the amount of \$184,292.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2022 and 2021

15. Paycheck Protection Program Loan (Continued)

The terms of the PPP Loans were two years, however NYC Audubon and its bank upon mutual agreement were permitted to modify the terms of the loans to five years. The interest rate on the PPP Loans are 1.00%. Pursuant to the terms of the CARES Act, the proceeds of the PPP Loans could be used for payroll costs, rent and utility costs.

Under the terms of the CARES Act, NYC Audubon could apply for and be granted forgiveness for all or a portion of the PPP Loans. Such forgiveness was to be determined, subject to limitations, based on the use of loan proceeds in accordance with the terms of the CARES Act, as described above, during the 24-week period after loan origination and the maintenance or achievement of certain employee levels.

During the year ended March 31, 2022, NYC Audubon applied for and received full forgiveness of both PPP Loans.