

NEW YORK CITY AUDUBON SOCIETY, INC.

FINANCIAL STATEMENTS

March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of New York City Audubon Society, Inc., which comprise the statement of financial position as of March 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New York City Audubon Society, Inc. as of March 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 GAAS 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 GAAS, 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.



Wegner CPAs, LLP
New York, New York
November 20, 2023

NEW YORK CITY AUDUBON SOCIETY, INC.
STATEMENT OF FINANCIAL POSITION
March 31, 2023

ASSETS	
Cash	\$ 276,168
Grants and pledges receivable	84,676
Accounts receivable	26,493
Investments	553,349
Prepaid expenses	4,646
Fixed assets, net	26,361
Security deposit	9,335
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Total assets	\$ 981,028
	<hr/> <hr/>
LIABILITIES	
Accounts payable	\$ 26,906
Accrued expenses	56,341
Deferred revenue	17,117
	<hr/>
Total liabilities	100,364
NET ASSETS	
Without donor restrictions	498,605
With donor restrictions	382,059
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Total net assets	880,664
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Total liabilities and net assets	\$ 981,028
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See accompanying notes.

NEW YORK CITY AUDUBON SOCIETY, INC.
STATEMENT OF ACTIVITIES
Year Ended March 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Grants and contributions	\$ 756,370	\$ 273,105	\$ 1,029,475
Membership dues	115,469	-	115,469
Special events	435,285	-	435,285
Less: costs of direct benefits to donors	(78,614)	-	(78,614)
Program service revenue	74,211	-	74,211
Conservation services	160,621	-	160,621
Investment return, net	(39,062)	-	(39,062)
Royalties	682	-	682
Miscellaneous income	2,280	-	2,280
Net assets released from restrictions			
Satisfaction of purpose restrictions	76,811	(76,811)	-
Total revenues	1,504,053	196,294	1,700,347
EXPENSES			
Program services			
Conservation	451,993	-	451,993
Membership	12,604	-	12,604
Education	487,931	-	487,931
Total program services	952,528	-	952,528
Management and general	296,183	-	296,183
Fundraising	346,423	-	346,423
Total expenses	1,595,134	-	1,595,134
Change in net assets	(91,081)	196,294	105,213
Net assets at beginning of year	589,686	185,765	775,451
Net assets at end of year	\$ 498,605	\$ 382,059	\$ 880,664

See accompanying notes.

NEW YORK CITY AUDUBON SOCIETY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended March 31, 2023

	Program Services			Management and General	Fundraising	Cost of Direct Benefits to Donors	Total Expenses
	Conservation	Membership	Education				
Personnel	\$ 355,810	\$ 11,065	\$ 349,278	\$ 217,903	\$ 257,546	\$ -	\$ 1,191,602
Professional fees	29,346	37	52,536	5,536	14,150	3,464	105,069
Postage and printing	1,756	380	19,839	2,133	19,132	-	43,240
Telecommunications	4,322	90	17,563	3,919	6,376	-	32,270
Occupancy	24,772	691	26,753	30,121	23,295	-	105,632
Insurance	2,990	83	3,229	3,635	2,812	-	12,749
Supplies	12,368	49	2,523	2,134	2,819	-	19,893
Dues	626	13	584	578	448	-	2,249
Travel and meetings	6,066	-	3,593	16	5,528	-	15,203
Venue and food/beverage	7,770	29	1,167	1,247	8,332	75,150	93,695
Service charges	265	5	206	25,285	180	-	25,941
Miscellaneous	645	15	587	342	756	-	2,345
Advertising	55	2	4,455	67	156	-	4,735
Depreciation	5,202	145	5,618	3,267	4,893	-	19,125
Total expenses	451,993	12,604	487,931	296,183	346,423	78,614	1,673,748
Less cost of direct benefits to donors included with revenues on the statement of activities	-	-	-	-	-	(78,614)	(78,614)
Total expenses included in the expenses section of the statement of activities	\$ 451,993	\$ 12,604	\$ 487,931	\$ 296,183	\$ 346,423	\$ -	\$ 1,595,134

See accompanying notes.

NEW YORK CITY AUDUBON SOCIETY, INC.
STATEMENT OF CASH FLOWS
Year Ended March 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 105,213
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Depreciation	19,125
Net realized and unrealized losses on investments	40,989
Loss on disposal of fixed assets	1,998
(Increase) decrease in assets	
Grants and pledges receivable	7,741
Accounts receivable	(26,493)
Prepaid expenses	4,310
Increase (decrease) in liabilities	
Accounts payable	(43,597)
Accrued expenses	56,341
Deferred revenue	(14,639)
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Net cash flows from operating activities	150,988
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of fixed assets	(8,245)
Proceeds from sales of investments	117,283
Purchases of investments	(96,294)
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Net cash flows from investing activities	12,744
Net change in cash	163,732
Cash at beginning of year	<hr/> 112,436
Cash at end of year	<hr/><hr/>\$ 276,168

See accompanying notes.

NEW YORK CITY AUDUBON SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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. NYC Audubon is primarily funded by grants and contributions.

Grants and Pledges

Unconditional grants and pledges are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Conditional grants and pledges receivable are recognized only when the conditions on which they depend are substantially met and the grants and pledges become unconditional. At March 31, 2023, all unconditional grants and pledges are receivable in less than one year.

Accounts Receivable

Accounts receivable consists of amounts due from conservation contracts services. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of March 31, 2023, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Investments

NYC Audubon reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets (Investment return, net) in the accompanying statement of activities.

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 change could materially affect the amounts reported in the statement of financial position.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

NEW YORK CITY AUDUBON SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, which is allocated on the basis of estimates of time and effort, the remainder of the expenses are directly charged based on the nature of the expense.

The following program services and supporting activities are included in the accompanying financial statements:

Conservation— NYC Audubon's conservation and science efforts are organized into three programmatic areas, Project Safe Flight, Waterbirds, Green Infrastructure as Habitat, that protect birds in the city and along the Atlantic flyway.

Membership— NYC Audubon publishes a quarterly print newsletter, and a monthly e-newsletter, and engages audiences with social media and through its website. In addition, it holds special bird outings and events for members in all five boroughs.

Education— NYC Audubon's public programs engage thousands of New Yorkers in learning about and appreciating urban wildlife.

Management and general—Includes the activities necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of NYC Audubon, and perform other administrative functions.

Fundraising—Provides the structure necessary to encourage and secure private financial support from individuals, foundations, and others.

Contributions

Contributions, including grants and membership dues, that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Depreciation

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Revenue Recognition

Program service revenue includes admission revenue to various field trips and events. Revenue is recognized when the services or events are completed under the related terms of the agreements. Conservation service revenue is recognized when the specific services in the contract are provided.

NEW YORK CITY AUDUBON SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

NYC Audubon does not recognize short-term leases in the statement of financial position. For these leases, NYC Audubon recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. NYC Audubon also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, NYC Audubon uses a risk-free rate as the discount rate for the lease for all classes of underlying assets. NYC Audubon is currently occupying its office facility on a month-to-month basis.

Income Tax Status

NYC Audubon is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

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 (GAAP).

Date of Management's Review

Management has evaluated subsequent events through November 20, 2023, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

Cash

NYC Audubon maintains its cash balances in one financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At March 31, 2023, NYC Audubon's uninsured cash balances total approximately \$26,000.

Contributions

During the year ended March 31, 2023, three donors contributed approximately 33% of grants and contributions revenue.

NEW YORK CITY AUDUBON SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

Salaries	\$ 30,000
Bilingual bird book	5,200
Education	33,014
Waterbirds	100,000
Advocacy/Engagement	10,000
Green roofs	70,740
Project safe flight	133,105
	<u>133,105</u>
	<u>\$ 382,059</u>

NOTE 4 – FIXED ASSETS

Furniture, fixtures, and equipment	\$ 46,128
Computer equipment	6,347
Leasehold improvements	2,867
Website	35,999
	<u>91,341</u>
Fixed assets	91,341
Accumulated depreciation and amortization	(64,980)
	<u>26,361</u>
Fixed assets, net	<u>\$ 26,361</u>

NOTE 5 – INVESTMENTS

Investments are comprised of the following:

Cash and bank sweep	\$ 57,991
Equities	286,151
Mutual funds	209,207
	<u>209,207</u>
	<u>\$ 553,349</u>

Fair values of equities and mutual funds are based on the closing prices reported on the active market where the individual stocks and products are traded, which are Level 1 fair value measurements.

NOTE 6 – EMPLOYEE RETIREMENT PLAN

NYC Audubon sponsors a Savings Incentive Match Plan for Employees covering all eligible salaried employees. Employees may elect to defer a portion of their compensation, and NYC Audubon will match up to 3% of their annual salary. NYC Audubon's contributions total \$16,652 for the year ended March 31, 2023.

NOTE 7 – LEASES

NYC Audubon is currently leasing its office facility on a month-to-month basis and is negotiating a new lease agreement.

NEW YORK CITY AUDUBON SOCIETY, INC.
NOTES TO FINANCIAL STATEMENTS
 March 31, 2023

NOTE 8 – RELATED PARTY TRANSACTIONS

During the year ended March 31, 2023, NYC Audubon received \$18,567 in Chapter Baseline funding from the National Audubon Society Inc., which is included in membership dues.

NOTE 9 – TRUSTS AND BEQUESTS

NYC Audubon is named a remainder beneficiary of a charitable remainder unitrust. The income beneficiary receives an annuity each year equal to a fixed percentage of the value of the trust assets. Upon the death of the income beneficiary, the remaining principal of the trust is to be distributed in equal parts to four charitable organizations. At March 31, 2023, the value of the trust was \$1,161,285. The value of NYC Audubon’s expected beneficial interest is estimated to be \$290,321.

NOTE 10 – PAYCHECK PROTECTION PROGRAM LOANS

NYC Audubon received loans totaling \$368,584 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). During 2022, the SBA approved forgiveness of the loan and accrued interest. NYC Audubon must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review NYC Audubon’s good-faith certification concerning the necessity of its loan request, whether NYC Audubon calculated the loan amount correctly, whether NYC Audubon used loan proceeds for the allowable uses specified in the CARES Act, and whether NYC Audubon is entitled to loan forgiveness in the amount claimed on its application. If SBA determines NYC Audubon was ineligible for the loan or for forgiveness in whole or in part, SBA may seek repayment of the outstanding loan balance.

NOTE 11 – LIQUIDITY AND AVAILABILITY

The following table reflects NYC Audubon’s financial assets as of the date of the statement of financial position, reduced by amounts not available to meet cash needs for general expenditures within one year. General expenditures are defined as all budgeted programmatic and operational expenses for the upcoming year.

Cash	\$ 276,168
Grants and pledges receivable	84,676
Accounts receivable	26,493
Investments	<u>553,349</u>
 Financial assets at year end	 940,686
 Less those unavailable for general expenditures within one year due to donor purpose restrictions	 <u>382,059</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u><u>\$ 558,627</u></u>

NYC Audubon has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As a donor-funded organization, NYC Audubon regularly receives contributions that are available to meet annual cash needs for general operating expenditures.