

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

**FINANCIAL STATEMENTS**

**YEARS ENDED  
MARCH 31, 2019 AND 2018**



**Hoberman & Lesser**  
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

# 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

We have audited the accompanying financial statements of New York City Audubon Society, Inc. (a nonprofit organization) which comprise the statements of financial position as of March 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 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 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, 2019 and 2018, 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.

*Hoberman & Lesser, LLP*

November 13, 2019

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Statements of Financial Position As of March 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 52,496	\$ 33,698
Grants receivable	10,000	419,455
Accounts receivable	9,250	4,130
Investments	859,526	912,380
Prepaid expenses and other current assets	<u>28,439</u>	<u>23,015</u>
<b>Total Current Assets</b>	959,711	1,392,678
<b>Fixed Assets</b> , less accumulated depreciation of \$165,657 and \$154,183	41,209	37,704
<b>Other Assets</b>		
Security deposit	<u>9,335</u>	<u>10,835</u>
<b>Total Assets</b>	<u>\$1,010,255</u>	<u>\$1,441,217</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 100,611	\$ 367,947
Deferred rent	6,859	5,108
Deferred revenue	<u>52,068</u>	<u>43,446</u>
<b>Total Liabilities, All Current</b>	<u>159,538</u>	<u>416,501</u>
<b>Commitments</b>		
<b>Net Assets</b>		
Net assets without donor restrictions	808,433	945,328
Net assets with donor restrictions	<u>42,284</u>	<u>79,388</u>
<b>Total Net Assets</b>	<u>850,717</u>	<u>1,024,716</u>
<b>Total Liabilities and Net Assets</b>	<u>\$1,010,255</u>	<u>\$1,441,217</u>

See accompanying notes to the financial statements.

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Statement of Activities Year Ended March 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue</b>			
Grants and contributions	\$ 263,011	\$839,614	\$1,102,625
Membership dues	101,601		101,601
Special events	\$188,000		
Direct costs to donors	( <u>39,000</u> )	149,000	149,000
Program service revenue	166,220		166,220
Investment income, net	7,569		7,569
Royalties	340		340
Realized gain on investment	247,525		247,525
Unrealized loss on investments	( <u>199,360</u> )		( <u>199,360</u> )
Net assets released from restrictions	<u>876,718</u>	<u>( 876,718)</u>	
<b>Net Revenue</b>	<u>1,612,624</u>	<u>( 37,104)</u>	<u>1,575,520</u>
<b>Expenses</b>			
Program services:			
Conservation	826,350		826,350
Membership	47,797		47,797
Education	<u>551,224</u>		<u>551,224</u>
<b>Total Program Expenses</b>	<u>1,425,371</u>		<u>1,425,371</u>
Management and general	119,246		119,246
Fundraising	<u>204,902</u>		<u>204,902</u>
<b>Total Operating Expenses</b>	<u>1,749,519</u>		<u>1,749,519</u>
<b>Change in Net Assets</b>	( <u>136,895</u> )	( <u>37,104</u> )	( <u>173,999</u> )
<b>Net Assets - Beginning</b>	<u>945,328</u>	<u>79,388</u>	<u>1,024,716</u>
<b>Net Assets - Ending</b>	<u>\$ 808,433</u>	<u>\$ 42,284</u>	<u>\$ 850,717</u>

See accompanying notes to the financial statements.

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Statement of Activities Year Ended March 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue</b>			
Grants and contributions	\$ 479,229	\$1,066,108	\$1,545,337
Membership dues	82,416		82,416
Special events	\$179,692		
Direct costs to donors	( 52,832)		
	126,860		126,860
Program service revenue	146,371		146,371
Investment income	24,321		24,321
Royalties	164		164
Realized gain on investment	9,332		9,332
Unrealized gain on investments	71,207		71,207
Net assets released from restrictions	<u>1,093,704</u>	<u>( 1,093,704)</u>	
<b>Net Revenue</b>	<u>2,033,604</u>	<u>( 27,596)</u>	<u>2,006,008</u>
<b>Expenses</b>			
Program services:			
Conservation	1,218,242		1,218,242
Membership	37,317		37,317
Education	<u>396,014</u>		<u>396,014</u>
<b>Total Program Expenses</b>	<u>1,651,573</u>		<u>1,651,573</u>
Management and general	97,103		97,103
Fundraising	<u>188,441</u>		<u>188,441</u>
<b>Total Operating Expenses</b>	<u>1,937,117</u>		<u>1,937,117</u>
<b>Change in Net Assets</b>	96,487	( 27,596)	68,891
<b>Net Assets - Beginning</b>	<u>848,841</u>	<u>106,984</u>	<u>955,825</u>
<b>Net Assets - Ending</b>	<u>\$ 945,328</u>	<u>\$ 79,388</u>	<u>\$1,024,716</u>

See accompanying notes to the financial statements.

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Statement of Functional Expenses Year Ended March 31, 2019

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total</u>
	<u>Conservation</u>	<u>Membership</u>	<u>Education</u>	<u>Management and General</u>	<u>Fundraising</u>	
Payroll	\$330,326	\$32,245	\$200,932	\$ 38,894	\$113,005	\$ 715,402
Payroll related expenses	71,510	4,360	39,242	26,810	18,479	160,401
<b>Total Payroll and Related Expenses</b>	<u>401,836</u>	<u>36,605</u>	<u>240,174</u>	<u>65,704</u>	<u>131,484</u>	<u>875,803</u>
Professional fees	19,012	239	8,269	9,140	6,097	42,757
Printing and newsletter	1,029	1,608	24,694	429	12,819	40,579
Postage	2,149	1,245	10,344	364	6,843	20,945
Telecommunications	10,230	138	1,759	1,635	703	14,465
Occupancy	37,082	2,145	24,736	25,442	10,945	100,350
Repairs	3,563	53	606	623	268	5,113
Insurance	5,284	306	3,525	3,625	1,560	14,300
Supplies	17,640	1,383	9,825	2,022	4,364	35,234
Dues	800	40	567	480	207	2,094
Publications	129	2	24	25	11	191
Field trip and public programs	8,560	216	40,428	759	480	50,443
Program consultant	296,610	150	153,459		4,464	454,683
Conferences	2,932					2,932
Service charges	5,243	302	3,586	3,588	2,079	14,798
Fundraising					16,781	16,781
Miscellaneous	1,649	125	3,670	1,003	686	7,133
Information technology	2,582	407	5,518	1,243	3,751	13,501
Advertising	1,720		2,105			3,825
Transportation	690	2,568	14,860			18,118
Bad debt expense	3,370	21	246	254	109	4,000
Depreciation	4,240	244	2,829	2,910	1,251	11,474
<b>Total Expenses</b>	<u>\$826,350</u>	<u>\$47,797</u>	<u>\$551,224</u>	<u>\$119,246</u>	<u>\$204,902</u>	<u>\$1,749,519</u>

See accompanying notes to the financial statements.

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Statement of Functional Expenses Year Ended March 31, 2018

	Program Services			Supporting Services		Total
	Conservation	Membership	Education	Management and General	Fundraising	
Payroll	\$ 321,345	\$25,841	\$166,122	\$33,290	\$103,508	\$ 650,106
Payroll related expenses	74,238	2,992	26,965	21,698	16,085	141,978
<b>Total Payroll and Related Expenses</b>	<b>395,583</b>	<b>28,833</b>	<b>193,087</b>	<b>54,988</b>	<b>119,593</b>	<b>792,084</b>
Professional fees	7,671	82	8,594	7,140	10,854	34,341
Printing and newsletter	2,252	2,471	23,012	450	12,209	40,394
Postage	1,097	1,555	8,584	219	7,353	18,808
Telecommunications	3,201	94	1,116	1,309	607	6,327
Occupancy	50,668	1,552	16,471	21,623	10,035	100,349
Repairs	3,737	48	517	672	399	5,373
Insurance	7,046	216	2,290	3,007	1,395	13,954
Supplies	20,769	2,035	7,943	2,022	3,383	36,152
Dues	591	10	350	145	590	1,686
Publications	50	2	92	21	210	375
Field trip and public programs	14,127	25	41,357		104	55,613
Program consultant	692,887		71,720		5,110	769,717
Conferences	770					770
Service charges	4,939	150	1,604	2,090	5,758	14,541
Fundraising					6,301	6,301
Miscellaneous	874	18	3,102	247	181	4,422
Information technology	2,419	62	1,749	863	1,787	6,880
Advertising	3,937	1	427	19	9	4,393
Transportation	272		12,260	5	1,503	14,040
Bad debt expense	506	15	164	215	100	1,000
Depreciation	4,846	148	1,575	2,068	960	9,597
<b>Total Expenses</b>	<b>\$1,218,242</b>	<b>\$37,317</b>	<b>\$396,014</b>	<b>\$97,103</b>	<b>\$188,441</b>	<b>\$1,937,117</b>

See accompanying notes to the financial statements.



# NEW YORK CITY AUDUBON SOCIETY, INC.

## Statements of Cash Flows Years Ended March 31, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>		
(Decrease) increase in net assets	(\$173,999)	\$ 68,891
<b>Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities</b>		
Depreciation	11,474	9,597
Unrealized loss (gain) on investments held for sale	199,360	( 71,207)
Realized gain on sale of investments	( 247,525)	( 9,332)
Deferred rent	1,751	3,976
Donated stock	5,484	
<b>Changes in Operating Assets and Liabilities</b>		
Decrease (increase) in grants receivable	409,455	( 315,940)
(Increase) decrease in accounts receivable	( 5,120)	2,006
Increase in prepaid expenses and other current assets	( 5,424)	( 7,968)
(Decrease) increase in accounts payable and accrued expenses	( 267,336)	349,680
Increase in deferred revenue	8,622	253
Decrease in restricted cash		3,494
Decrease in security deposit	1,500	
<b>Net Cash (Used in) Provided by Operating Activities</b>	( 61,758)	33,450
<b>Cash Flows from Investing Activities</b>		
Purchase of equipment	( 14,980)	( 9,030)
Purchase of investments	( 809,308)	( 89,215)
Proceeds from sale of investments	904,844	
<b>Net Cash Provided by (Used in) Investing Activities</b>	80,556	( 98,245)
<b>Net Increase (Decrease) in Cash</b>	18,798	( 64,795)
<b>Beginning - Cash</b>	33,698	98,493
<b>Ending - Cash</b>	<b>\$ 52,496</b>	<b>\$ 33,698</b>

See accompanying notes to the financial statements.

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Notes to Financial Statements Years Ended March 31, 2019 and 2018

### 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 statement 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.

#### Fixed Assets

Leasehold improvements, office furniture and computer equipment 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 and computer equipment 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, 2019 and 2018

### 1. Summary of Significant Accounting Policies (Continued)

<b>Income Taxes</b>	<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>
<b>Cash and Cash Equivalents</b>	<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>
<b>Earned Income</b>	<p>Earned income includes admission revenue to various field trips and events. Revenue is recorded when earned under the terms of the related agreements.</p>
<b>Membership Dues</b>	<p>Membership dues are reported when received.</p>
<b>Functional Expenses</b>	<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. 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>
<b>Investments</b>	<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>

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Notes to Financial Statements Years Ended March 31, 2019 and 2018

### 1. Summary of Significant Accounting Policies (Continued)

#### Recent Accounting Pronouncements

##### *ASU 2016-14 Presentation of Financial Statements of Not-for-Profit Entities*

In August, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 16-14 to improve the current net asset classification requirements and the information presented in financial statements and notes about a not-for-profit entity's ("NFP's") liquidity, financial performance, and cash flows. The main provisions of this update which amends the requirement for financial statements and notes in Topic 958, Not-for-Profit Entities, require an NFP to:

- 1) Report amounts for net assets with restrictions and net assets without restrictions, as well as the currently required amount for total net assets.
- 2) Present on the face of the statement of activities the amount of the change in each of the two classes of net assets.
- 3) Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting but no longer requires the presentation or disclosure of the indirect method if using the direct method.
- 4) Provide enhanced disclosures about a number of qualitative and quantitative items.
- 5) Report investment return net of external and direct internal investment expenses and no longer requires disclosure of those netted expenses.
- 6) Use, in the absence of explicit stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with restrictions to net assets without restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption.

The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 31, 2018. NYC Audubon has adopted the update and applied its provisions retrospectively. As permitted under the update, disclosures about the liquidity and availability of resources for 2018 have been omitted.

In June, 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which requires organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a reference document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barriers in the agreement. For recipients, the effective date of the amendments will align with Revenue from Contracts with Customers: effective for annual periods beginning after December 15, 2018 (i.e., NYC Audubon's fiscal year 2020). NYC Audubon is currently assessing the impact this will have on their financial statements.

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Notes to Financial Statements Years Ended March 31, 2019 and 2018

### 1. Summary of Significant Accounting Policies (Continued)

#### 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, 2019 and November 13, 2019, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

### 2. Grants Receivable

Grants receivable as of March 31, 2019 and 2018, are restricted to various programs for the NYC Audubon. As of March 31, 2019 and 2018 NYC Audubon determined that no allowance for doubtful accounts was necessary.

### 3. Financial Assets Available To Meet Cash Needs

NYC Audubon's financial assets available within one year of the accompanying statement of financial position for general expenditures are as follows:

Financial assets, at year-end	
Cash and cash equivalents	\$ 52,496
Investments	859,526
Grants receivable	10,000
Accounts receivable	<u>9,250</u>
Financial assets available at March 31, 2019	931,272
Less those unavailable for general expenditures within one year, due to donor-imposed restrictions:	
Program related restrictions	<u>( 42,284)</u>
Amounts available for general expenditures within one year	<u>\$888,988</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.

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Notes to Financial Statements Years Ended March 31, 2019 and 2018

### 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 availability 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.

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, 2019 and 2018:

*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.

*Corporate Bonds:* Valued at the closing price reported in the active market on which the bond is traded.

Investments at fair value as of March 31, 2019 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate Stocks	\$551,812	\$ -	\$ -	\$551,812
Corporate bonds	_____	<u>307,714</u>	_____	<u>307,714</u>
<b>Total Investments at Fair Value</b>	<u>\$551,812</u>	<u>\$307,714</u>	<u>\$ -</u>	<u>\$859,526</u>

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Notes to Financial Statements Years Ended March 31, 2019 and 2018

### 4. Fair Value Measurements (Continued)

Investments at fair value as of March 31, 2018 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$912,380	\$ -	\$ -	\$912,380
<b>Total Investments at Fair Value</b>	<b>\$912,380</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$912,380</b>

### 5. 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 up to 3%, which NYC Audubon will match. NYC Audubon contributed \$20,078 and \$17,767 to the Plan for the years ended March 31, 2019 and 2018, respectively.

### 6. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

<b>As of March 31,</b>	<u><b>2019</b></u>	<u><b>2018</b></u>
Audit fee	\$ 6,000	\$ 6,000
Payroll	15,791	18,880
Program consultants	29,429	329,279
Other	49,391	13,788
	<u>\$100,611</u>	<u>\$367,947</u>

### 7. 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.

### 8. Concentrations

At March 31, 2019, one donor accounted for 100% of grants receivables. At March 31, 2019, two customers accounted for 81% of accounts receivable.

At March 31, 2018, one donor accounted for 91% of grants receivables. At March 31, 2018, two customers accounted for 96% of accounts receivable.

During the year ended March 31, 2019 two donors contributed approximately 39% of grant and contribution revenue.

During the year ended March 31, 2018 three donors contributed approximately 71% of grant and contribution revenue and one donor contributed 14% of gross special events revenue.

# NEW YORK CITY AUDUBON SOCIETY, INC.

## Notes to Financial Statements Years Ended March 31, 2019 and 2018

### 9. Commitments

NYC Audubon occupies office space under an operating lease which commenced in November, 2004. The lease was renewed in December, 2016, and requires minimum future rentals as follows:

<b>Years Ended March 31,</b>	
2020	\$ 93,289
2021	95,621
2022	<u>73,052</u>
<b>Total</b>	<b><u>\$261,962</u></b>

Occupancy expense, including electricity, amounted to approximately \$100,000 for each of the years ended March 31, 2019 and 2018.

In March, 2016, NYC Audubon entered into a grant agreement with a foundation (the "Grant Agreement") for the purpose of installing and maintaining a large-scale, bird-friendly green roof in Brooklyn, New York. The Grant Agreement is for the period January 1, 2016 to June 30, 2019, and provides for total project budgeted costs of approximately \$1,134,000, which includes an administrative recovery fee of 15% to be paid to NYC Audubon.

As of the year ended March 31, 2019, NYC Audubon has recorded approximately \$1,074,000 of grant income related to this agreement.

### 10. Net Assets With Donor Restrictions

<b>As of March 31,</b>	<u><b>2019</b></u>	<u><b>2018</b></u>
Grants restricted for future years for various programs	\$ 6,369	\$79,388
Grants restricted for advocacy position	<u>35,915</u>	<u>          </u>
<b>Total</b>	<b><u>\$42,284</u></b>	<b><u>\$79,388</u></b>

### 11. Related Party Transactions

During each of the years ended March 31, 2019 and 2018, NYC Audubon received \$18,567 in Chapter Baseline funding from the National Audubon Society Inc., which is included in membership fees.

During the year ended March 31, 2019 NYC Audubon received contributions and grant income of \$36,984 from the National Audubon Society.

During the year ended March 31, 2019, sixteen board members contributed \$38,520 of grant and contribution income and nineteen board members contributed \$73,375 of gross special events revenue.

During the year ended March 31, 2018, fourteen board members contributed \$40,065 of grant and contribution income and seventeen board members contributed \$51,965 of gross special events revenue.



# NEW YORK CITY AUDUBON SOCIETY, INC.

## Notes to Financial Statements Years Ended March 31, 2019 and 2018

### **11. Related Party Transactions** (Continued)

During the years ended March 31, 2019 and 2018, NYC Audubon received \$84,823 and \$74,367, respectively, in grant income and \$5,000 in each year in gross special events revenue from an organization whose president is a board member.

### **12. 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, 2019, the value of the trust was \$1,205,157. The expected future value of NYC Audubon's beneficial interest in the trust is estimated to be \$301,000.

NYC Audubon has been named as a beneficiary in the Last Will and Testament of one decedent donor. NYC Audubon anticipates receiving bequest gifts in the aggregate range of approximately \$45,000 - \$150,000 from this estate.

NYC Audubon records income from trusts and bequests when received.