

NEW YORK CITY
AUDUBON SOCIETY, INC.

FINANCIAL STATEMENTS

YEARS ENDED
MARCH 31, 2020 AND 2019



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, 2020 and 2019, 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, 2020 and 2019, 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 CPAs, LLP

New York, New York
November 3, 2020

NEW YORK CITY AUDUBON SOCIETY, INC.

Statements of Financial Position As of March 31, 2020 and 2019

	2020	2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 91,129	\$ 52,496
Grants and pledges receivable	117,023	10,000
Accounts receivable		9,250
Investments	553,504	859,526
Prepaid expenses and other current assets	<u>23,276</u>	<u>28,439</u>
Total Current Assets	784,932	959,711
Property and equipment , less accumulated depreciation of \$177,143 and \$165,657	54,098	41,209
Other Assets		
Grants and pledge receivable, net of current portion	33,333	
Security deposit	<u>9,335</u>	<u>9,335</u>
Total Assets	<u>\$881,698</u>	<u>\$1,010,255</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$173,252	\$ 100,611
Deferred revenue	65,396	52,068
Deferred rent	<u>5,958</u>	<u>6,859</u>
Total Liabilities, All Current	<u>244,606</u>	<u>159,538</u>
Commitments		
Net Assets		
Net assets without donor restrictions	545,955	808,433
Net assets with donor restrictions	<u>91,137</u>	<u>42,284</u>
Total Net Assets	<u>637,092</u>	<u>850,717</u>
Total Liabilities and Net Assets	<u>\$881,698</u>	<u>\$1,010,255</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Statement of Activities
Year Ended March 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Grants and contributions	\$ 420,159	\$549,719	\$ 969,878
Membership dues	122,001		122,001
Special events	\$242,935		
Direct costs to donors	(50,800)		
Program service revenue	192,135		192,135
Investment income, net of investment fees of \$6,019	163,027		163,027
Royalties	8,649		8,649
Realized gain on investments	269		269
Unrealized loss on investments	53,564		53,564
Net assets released from restrictions	(52,791)	(500,866)	(52,791)
Net Revenue	<u>1,407,879</u>	<u>48,853</u>	<u>1,456,732</u>
Expenses			
Program services:			
Conservation	656,325		656,325
Membership	55,063		55,063
Education	621,763		621,763
Total Program Expenses	<u>1,333,151</u>	<u>—</u>	<u>1,333,151</u>
Management and general	116,116		116,116
Fundraising	221,090		221,090
Total Operating Expenses	<u>1,670,357</u>	<u>—</u>	<u>1,670,357</u>
Change in Net Assets	(262,478)	48,853	(213,625)
Net Assets - Beginning	<u>808,433</u>	<u>42,284</u>	<u>850,717</u>
Net Assets - Ending	<u>\$ 545,955</u>	<u>\$ 91,137</u>	<u>\$ 637,092</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>
Revenue			
Grants and contributions	\$ 263,011		\$1,102,625
Membership dues	101,601	\$839,614	101,601
Special events	\$188,000		
Direct costs to donors	(39,000)		
Program service revenue	149,000		149,000
Investment income, net of investment fees of \$2,248	166,220		166,220
Royalties	7,569		7,569
Realized gain on investment	340		340
Unrealized loss on investments	247,525		247,525
Net assets released from restrictions	(199,360)		(199,360)
Net Revenue	<u>876,718</u>	<u>(876,718)</u>	<u>(199,360)</u>
	<u>1,612,624</u>	<u>(37,104)</u>	<u>1,575,520</u>
Expenses			
Program services:			
Conservation	826,350		826,350
Membership	47,797		47,797
Education	551,224		551,224
Total Program Expenses	<u>1,425,371</u>		<u>1,425,371</u>
Management and general	119,246		119,246
Fundraising	204,902		204,902
Total Operating Expenses	<u>1,749,519</u>		<u>1,749,519</u>
Change in Net Assets	<u>(136,895)</u>	<u>(37,104)</u>	<u>(173,999)</u>
Net Assets - Beginning	<u>945,328</u>	<u>79,388</u>	<u>1,024,716</u>
Net Assets - Ending	<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 Functional Expenses Year Ended March 31, 2020

	Program Services			Supporting Services		Total
	Conservation	Membership	Education	Management and General	Fundraising	
Payroll	\$312,602	\$36,498	\$305,659	\$ 40,130	\$117,344	\$ 812,233
Payroll related expenses	<u>63,504</u>	<u>5,289</u>	<u>68,732</u>	<u>24,360</u>	<u>19,884</u>	<u>181,769</u>
Total Payroll and Related Expenses	<u>376,106</u>	<u>41,787</u>	<u>374,391</u>	<u>64,490</u>	<u>137,228</u>	<u>994,002</u>
Professional fees	7,675	152	19,110	8,737	5,170	40,844
Printing and newsletter	1,139	709	20,815	585	12,844	36,092
Postage	760	1,425	6,618	447	7,292	16,542
Telecommunications	5,219	195	2,202	1,945	963	10,524
Occupancy	30,457	2,555	28,853	25,488	12,617	99,970
Repairs	580	5	52	46	23	706
Insurance	4,424	371	4,191	3,702	1,833	14,521
Supplies	15,782	3,198	11,794	2,521	5,771	39,066
Dues	199	8	334	83	929	1,553
Field trip and public programs	15,128	9	30,628	92	45	45,902
Program consultant	180,621	600	90,837		4,825	276,883
Conferences	2,901					2,901
Service charges	3,810	274	3,232	2,735	4,386	14,437
Fundraising					17,533	17,533
Miscellaneous	1,213	91	1,565	910	566	4,345
Information technology	5,937	1,890	3,821	1,407	7,615	20,670
Advertising	875		1,735			2,610
Transportation		1,500	18,270			19,770
Depreciation	<u>3,499</u>	<u>294</u>	<u>3,315</u>	<u>2,928</u>	<u>1,450</u>	<u>11,486</u>
Total Expenses	<u>\$656,325</u>	<u>\$55,063</u>	<u>\$621,763</u>	<u>\$116,116</u>	<u>\$221,090</u>	<u>\$1,670,357</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Statement of Functional Expenses Year Ended March 31, 2019

	Program Services			Supporting Services		
	Conservation	Membership	Education	Management and General	Fundraising	Total
Payroll						
Payroll related expenses	\$330,326	\$32,245	\$200,932	\$ 38,894	\$113,005	\$ 715,402
	<u>71,510</u>	<u>4,360</u>	<u>39,242</u>	<u>26,810</u>	<u>18,479</u>	<u>160,401</u>
Total Payroll and Related Expenses	<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	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	<u>4,240</u>	<u>244</u>	<u>2,829</u>	<u>2,910</u>	<u>1,251</u>	<u>11,474</u>
Total Expenses	<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.

Statements of Cash Flows Years Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Decrease in net assets	(\$213,625)	(\$173,999)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used in Operating Activities		
Depreciation	11,486	11,474
Unrealized loss on investments held for sale	52,791	199,360
Realized gain on sale of investments	(53,564)	(247,525)
Deferred rent	(901)	1,751
Donated stock	(1,035)	(5,484)
Changes in Operating Assets and Liabilities		
Grants and pledges receivable	(140,356)	409,455
Accounts receivable	9,250	(5,120)
Prepaid expenses and other current assets	5,163	(5,424)
Accounts payable and accrued expenses	72,641	(267,336)
Deferred revenue	13,328	8,622
Security deposit		1,500
Net Cash Used in Operating Activities	<u>(244,822)</u>	<u>(72,726)</u>
Cash Flows from Investing Activities		
Acquisition of property and equipment	(24,375)	(14,980)
Purchase of investments	(363,905)	(804,171)
Net proceeds from sale of investments	<u>671,735</u>	<u>910,675</u>
Net Cash Provided by Investing Activities	<u>283,455</u>	<u>91,524</u>
Net Increase in Cash	38,633	18,798
Beginning - Cash	<u>52,496</u>	<u>33,698</u>
Ending - Cash	<u>\$ 91,129</u>	<u>\$ 52,496</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2020 and 2019

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	<p>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.</p> <p>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.</p>
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, 2020 and 2019

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 consist 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, 2020 and 2019

1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

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 aligns with Revenue from Contracts with Customers: effective for annual periods beginning after December 15, 2018 (i.e., NYC Audubon's fiscal year 2019). The adoption of ASU No. 2018-08 did not have a material effect on the organization's 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, 2020 and November 3, 2020, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. (See Note 14).

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, 2020 and 2019. At March 31, 2020, one grant receivable is due over a two year period.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2020 and 2019

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 at March 31, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Financial assets, at year-end		
Cash and cash equivalents	\$ 91,129	\$ 52,496
Investments	553,504	859,526
Grants and pledges receivable	117,023	10,000
Accounts receivable	<u> </u>	<u>9,250</u>
Financial assets available at March 31,	761,656	931,272
Less those unavailable for general expenditures within one year, due to donor-imposed restrictions:		
Program related restrictions	(57,802)	(42,284)
Amounts available for general expenditures within one year	<u>\$703,854</u>	<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.

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.

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.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2020 and 2019

4. Fair Value Measurements (Continued)

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, 2020 and 2019:

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, 2020 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate stocks	\$329,289	\$ -	\$ -	\$329,289
Mutual fund	224,215			224,215
Total Investments at Fair Value	<u>\$553,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$553,504</u>

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		307,714		307,714
Total Investments at Fair Value	<u>\$551,812</u>	<u>\$307,714</u>	<u>\$ -</u>	<u>\$859,526</u>

5. Property and Equipment

Property and equipment consists of the following:

As of March 31,	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$203,999	\$203,999
Leasehold improvements	2,867	2,867
Website	24,375	
	231,241	206,866
Accumulated depreciation	(177,143)	(165,657)
Total	<u>\$ 54,098</u>	<u>\$ 41,209</u>

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2020 and 2019

6. 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 \$22,117 and \$20,078 to the Plan for the years ended March 31, 2020 and 2019, respectively.

7. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

As of March 31,	<u>2020</u>	<u>2019</u>
Audit fee	\$ 13,223	\$ 6,000
Payroll	19,598	15,791
Program consultants	78,654	29,429
Rent	17,102	
Other	<u>44,675</u>	<u>49,391</u>
	<u>\$173,252</u>	<u>\$100,611</u>

8. 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.

9. Concentrations

At March 31, 2020, two donors accounted for 90% of grants and pledges receivable.

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

During the year ended March 31, 2020 two donors contributed approximately 22% of grant and contribution revenue.

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

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2020 and 2019

10. 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:

Years Ended March 31,	
2021	\$ 95,621
2022	<u>73,052</u>
Total	<u>\$168,673</u>

Occupancy expense, including electricity, amounted to approximately \$100,000 for each of the years ended March 31, 2020 and 2019.

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 \$1,135,000, which included an administrative recovery fee of 15% to be paid to NYC Audubon.

As of the year ended March 31, 2020, NYC Audubon has completed the project, and has recorded approximately \$1,135,000 of grant income related to this agreement.

11. Net Assets With Donor Restrictions

As of March 31,	<u>2020</u>	<u>2019</u>
Grants restricted for future years for various programs	\$77,137	\$ 6,369
Grants restricted for advocacy position	<u>14,000</u>	<u>35,915</u>
Total	<u>\$91,137</u>	<u>\$42,284</u>

12. Related Party Transactions

During each of the years ended March 31, 2020 and 2019, 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, 2020 and 2019 NYC Audubon received contributions and grant income of \$5,600 and \$36,984, respectively, from the National Audubon Society.

During the year ended March 31, 2020, ten board members contributed \$191,180 of grant and contribution income and seventeen board members contributed \$76,695 of gross special events revenue.

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.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2020 and 2019

12. Related Party Transactions (Continued)

During the years ended March 31, 2020 and 2019, NYC Audubon received \$106,044 and \$84,823, respectively, in grant income and \$5,000 in each year in gross special events revenue from an organization whose president is a board member.

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, 2020, the value of the trust was \$1,050,470. The expected future value of NYC Audubon's beneficial interest in the trust is estimated to be \$262,617.

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.

14. COVID-19 Contingency

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. A health pandemic is a disease outbreak that spreads rapidly and widely by infection and affects many individuals in an area or population at the same time. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, customers, economies, and financial markets globally, which has led to an economic downturn. The public has avoided public gatherings and local, regional and national governments have limited and banned public gatherings in an attempt to halt or delay the spread of the disease. The COVID-19 outbreak in the United States had resulted in the temporary mandatory closing of non-essential businesses, including NYC Audubon. NYC Audubon is currently conducting its operations on a limited basis. It is not possible for NYC Audubon to predict the duration or magnitude of the adverse results of the outbreak and its effects on its donors and future grants and contributions, and its customers.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2020 and 2019

15. Paycheck Protection Program Loan

NYC Audubon recently executed an unsecured note and received a loan (the "PPP Loan") from a 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 a PPP Loan in the amount of \$186,292. The proceeds from the PPP Loan will be used in accordance with the terms of the CARES Act program, as described further below.

The term of the PPP Loan is two years, however NYC Audubon and the bank upon mutual agreement are permitted to modify the term of the loan to five years. The interest rate on the PPP Loan is 1.00%. Pursuant to the terms of the CARES Act, the proceeds of the PPP Loan can be used for payroll costs, rent and utility costs.

Under the terms of the CARES Act, NYC Audubon can apply for and be granted forgiveness for all or a portion of the PPP Loan. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds in accordance with the terms of the CARES Act, during the 24-week period after loan origination and the maintenance or achievement of certain employee levels. NYC Audubon intends to use the entire loan amount for qualified expenses. Based on the current SBA guidance available, NYC Audubon believes it will obtain full forgiveness of the PPP loan.

Payments of principal and interest on the PPP Loan are deferred until the date on which the amount of forgiveness determined by the SBA is remitted to the bank or ten months after the 24-week period ends, if NYC Audubon does not apply for forgiveness.