

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

FINANCIAL STATEMENTS

**YEARS ENDED
MARCH 31, 2021 AND 2020**

HOBERTMAN & LESSER

CPA® • ADVISORS • SOLUTIONS

NEW YORK CITY AUDUBON SOCIETY, INC.

CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3 – 4
Statements of Functional Expenses	5 – 6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 16

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, 2021 and 2020, 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, 2021 and 2020, 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
December 2, 2021

NEW YORK CITY AUDUBON SOCIETY, INC.

Statements of Financial Position As of March 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 244,859	\$ 91,129
Grants and pledges receivable	110,360	117,023
Investments	709,766	553,504
Prepaid expenses and other current assets	3,577	23,276
Total Current Assets	1,068,562	784,932
Property and equipment , less accumulated depreciation of \$136,775 and \$177,143	58,842	54,098
Other Assets		
Grants and pledge receivable, net of current portion		33,333
Security deposit	9,335	9,335
Total Assets	\$1,136,739	\$881,698
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$38,970	\$173,252
Deferred revenue	3,793	65,396
Deferred rent	3,479	5,958
Total Current Liabilities	46,242	244,606
Long-Term Liabilities		
Loans payable – Paycheck Protection Program	368,584	
Total Liabilities	414,826	244,606
Commitments		
Net Assets		
Net assets without donor restrictions	526,125	545,955
Net assets with donor restrictions	195,788	91,137
Total Net Assets	721,913	637,092
Total Liabilities and Net Assets	\$1,136,739	\$881,698

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)	229,886	229,886
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>	<u>(286,866)</u>	
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 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)	192,135	192,135
Program service revenue	163,027		163,027
Investment income, net of investment fees of \$6,019	8,649		8,649
Royalties	269		269
Realized gain on investments	53,564		53,564
Unrealized loss on investments	(52,791)		(52,791)
Net assets released from restrictions	<u>500,866</u>	<u>(500,866)</u>	
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	<u>621,763</u>		<u>621,763</u>
Total Program Expenses	1,333,151		1,333,151
Management and general	116,116		116,116
Fundraising	<u>221,090</u>		<u>221,090</u>
Total Operating Expenses	<u>1,670,357</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 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	261,825	64,365	410,166	66,578	129,051	931,985
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.

Statement of Functional Expenses Year Ended March 31, 2020

	<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	\$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	376,106	41,787	374,391	64,490	137,228	994,002
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.

Statements of Cash Flows Years Ended March 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase (Decrease) in net assets	\$ 84,821	(\$213,625)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used in Operating Activities		
Depreciation	9,675	11,486
Unrealized (gain) loss on investments held for sale	(137,386)	52,791
Realized gain on sale of investments	(43,076)	(53,564)
Deferred rent	(2,479)	(901)
Donated stock		(1,035)
Changes in Operating Assets and Liabilities		
Grants and pledges receivable	39,996	(140,356)
Accounts receivable		9,250
Prepaid expenses and other current assets	19,699	5,163
Accounts payable and accrued expenses	(134,282)	72,641
Deferred revenue	(61,603)	13,328
Net Cash Used in Operating Activities	<u>(224,635)</u>	<u>(244,822)</u>
Cash Flows from Investing Activities		
Acquisition of property and equipment	(14,419)	(24,375)
Purchase of investments	(139,514)	(363,905)
Net proceeds from sale of investments	<u>163,714</u>	<u>671,735</u>
Net Cash Provided by Investing Activities	<u>9,781</u>	<u>283,455</u>
Cash Flows from Financing Activities		
Proceeds from loans payable – Paycheck Protection Program	<u>368,584</u>	
Net Cash Provided by Financing Activities	<u>368,584</u>	
Net Increase in Cash	153,730	38,633
Beginning – Cash and Cash Equivalents	<u>91,129</u>	<u>52,496</u>
Ending – Cash and Cash Equivalents	<u>\$244,859</u>	<u>\$ 91,129</u>

See accompanying notes to the financial statements.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2021 and 2020

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.

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, 2021 and 2020

1. Summary of Significant Accounting Policies (Continued)

Income Taxes NYC Audubon qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code.

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.

**Cash and Cash
Equivalents**

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.

NYC Audubon maintains cash in accounts which, at times, exceed federally insured limits. NYC Audubon has not experienced any losses in such accounts.

Earned Income

Program service income includes admission revenue to various field trips and events. Revenue is recorded when earned under the terms of the related agreements.

Membership Dues

Membership dues are reported when received.

Functional Expenses

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.

Investments

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.

Deferred Revenue

Deferred revenue consist of income received for field trips which have not yet occurred.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2021 and 2020

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.

In February 2016, the FASB issued Accounting Standards Update 2016-02, Leases (Topic 842) ("ASU"), 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.

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, 2021 and December 2, 2021, 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, 2021 and 2020

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, 2021 and 2020.

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, 2021 and 2020, are as follows:

	<u>2021</u>	<u>2020</u>
Financial assets, at year-end		
Cash and cash equivalents	\$ 244,859	\$ 91,129
Investments	709,766	553,504
Grants and pledges receivable	<u>110,360</u>	<u>117,023</u>
Financial assets available at March 31,	1,064,985	761,656
Less those unavailable for general expenditures within one year, due to donor-imposed restrictions:		
Program related restrictions	<u>(195,788)</u>	<u>(57,802)</u>
Amounts available for general expenditures within one year	<u>\$ 869,197</u>	<u>\$703,854</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, 2021 and 2020

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, 2021 and 2020:

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, 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>

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	<u>224,215</u>			<u>224,215</u>
Total Investments at Fair Value	<u>\$553,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$553,504</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, 2021 and 2020

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

As of March 31,	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$156,751	\$203,999
Leasehold improvements	2,867	2,867
Website	<u>35,999</u>	<u>24,375</u>
	195,617	231,241
Accumulated depreciation	(136,775)	(177,143)
Total	<u>\$ 58,842</u>	<u>\$ 54,098</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 \$19,426 and \$22,117 to the Plan for the years ended March 31, 2021 and 2020, respectively.

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

As of March 31,	<u>2021</u>	<u>2020</u>
Audit fee	\$7,000	\$ 13,223
Payroll	27,584	19,598
Program consultants		78,654
Rent		17,102
Other	<u>4,386</u>	<u>44,675</u>
	<u>\$38,970</u>	<u>\$173,252</u>

9. Concentrations

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

At March 31, 2020, two donor accounted for 90% of grants receivables.

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

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

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2021 and 2020

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,	
2022	<u>\$73,052</u>
Total	<u>\$73,052</u>

Occupancy expense, including electricity, amounted to approximately \$100,000 for each of the years ended March 31, 2021 and 2020.

11. Net Assets With Donor Restrictions

As of March 31,	<u>2021</u>	<u>2020</u>
Grants restricted for future years for various programs	\$115,536	\$77,137
Grants restricted for advocacy position		14,000
Grants restricted for education programs	18,648	
Grants restricted for Waterbirds	6,500	
Grants restricted for green roofs	55,000	
Grants restricted for various programs	<u>104</u>	
Total	<u>\$195,788</u>	<u>\$91,137</u>

12. Related Party Transactions

During years ended March 31, 2021 and 2020, NYC Audubon received \$18,607 and \$18,567, respectively, in Chapter Baseline funding from the National Audubon Society Inc., which is included in membership fees.

During the years ended March 31, 2021 and 2020 NYC Audubon received contributions and grant income of \$5,425 and 5,600, respectively, from the National Audubon Society.

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 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 years ended March 31, 2021 and 2020, NYC Audubon received \$76,031 and \$106,044, respectively, in grant income and \$5,000 in the year ended March 31, 2020 in gross special events revenue from an organization whose president is a board member.

NEW YORK CITY AUDUBON SOCIETY, INC.

Notes to Financial Statements Years Ended March 31, 2021 and 2020

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, 2021, the value of the trust was \$1,354,940. The expected future value of NYC Audubon's beneficial interest in the trust is estimated to be \$338,735.

NYC Audubon has been named as a beneficiary in the Last Will and Testament of a decedent donor. NYC Audubon anticipates receiving a bequest gift of approximately \$162,600 from this estate.

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. During 2020 NYC Audubon was unable to hold field trips which is normally a large source of its revenue, however, this did not adversely impact its operations as it received other contribution income. 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, 2021 and 2020

15. Paycheck Protection Program Loan (Continued)

The terms of the PPP Loans are two years, however NYC Audubon and its bank upon mutual agreement are 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 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 Loans. Such forgiveness will 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.

Payments of principal and interest on the PPP Loans 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.

Subsequent to year end, NYC Audubon applied for full forgiveness of its first PPP loan. The SBA approved the forgiveness application and remitted the full balance of the first PPP loan plus accrued interest on behalf of the NYC Audubon to the bank.

NYC Audubon intends to use the entire loan amount of the second PPP loan for qualified expenses and expects full forgiveness of the loan.