

AUDUBON SOCIETY OF RHODE ISLAND

Financial Statements

Year Ended December 31, 2024

(With Independent Auditors' Report Thereon)

AUDUBON SOCIETY OF RHODE ISLAND

FINANCIAL STATEMENTS

Year Ended December 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Audubon Society of Rhode Island:

Opinion

We have audited the accompanying financial statements of Audubon Society of Rhode Island (a Rhode Island not-for-profit corporation) (the Society), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Audubon Society of Rhode Island as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Audubon Society of Rhode Island's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Kahn, Litwin, Renya & Co., Ltd.

August 29, 2025

AUDUBON SOCIETY OF RHODE ISLAND
STATEMENT OF FINANCIAL POSITION
December 31, 2024
(With Comparative Totals at December 31, 2023)



Assets	2024				2023
	Operating	Plant	Long-term Investments	Total	Total
Current Assets:					
Cash and cash equivalents	\$ 1,296,365	\$ -	\$ -	\$ 1,296,365	\$ 1,525,060
Investments, current	-	-	973,157	973,157	974,551
Accounts and grants receivable	329,743	-	-	329,743	197,180
Inventory	20,595	-	-	20,595	20,595
Prepaid expenses and other assets	1,425	-	-	1,425	22,610
Total current assets	1,648,128	-	973,157	2,621,285	2,739,996
Restricted Cash	-	253,050	-	253,050	199,593
Property and Equipment, net	-	2,813,768	-	2,813,768	2,642,207
Investments, non-current	272,395	-	18,285,058	18,557,453	16,837,837
Beneficial Interest in Assets Held by Others	-	-	236,660	236,660	224,806
Wildlife Refuges	-	15,131,711	-	15,131,711	14,896,618
Total Assets	\$ 1,920,523	\$ 18,198,529	\$ 19,494,875	\$ 39,613,927	\$ 37,541,057
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable and accrued expenses	\$ 332,261	\$ -	\$ -	\$ 332,261	\$ 280,544
Charitable gift annuity, current portion	1,388	-	-	1,388	1,321
Deferred revenue	28,217	-	-	28,217	20,747
Total current liabilities	361,866	-	-	361,866	302,612
Charitable Gift Annuity, less current portion	11,866	-	-	11,866	13,254
Total liabilities	373,732	-	-	373,732	315,866
Net Assets:					
Without donor restrictions	581,181	17,945,479	14,000,650	32,527,310	31,305,308
With donor restrictions	965,610	253,050	5,494,225	6,712,885	5,919,883
Total net assets	1,546,791	18,198,529	19,494,875	39,240,195	37,225,191
Total Liabilities and Net Assets	\$ 1,920,523	\$ 18,198,529	\$ 19,494,875	\$ 39,613,927	\$ 37,541,057

AUDUBON SOCIETY OF RHODE ISLAND
STATEMENT OF ACTIVITIES
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)



	2024				2023
	Operating	Plant	Long-term Investments	Total	Total
Changes in Net Assets Without Donor Restrictions:					
Revenue and support:					
Contributions	\$ 61,813	\$ -	\$ 1,348	\$ 63,161	\$ 402,012
Grants	1,821,084	-	-	1,821,084	1,338,183
Program fees	299,669	-	-	299,669	273,157
Rental income	122,696	-	-	122,696	96,123
Admissions and other income	64,554	-	-	64,554	49,815
Contributed nonfinancial assets	22,822	235,093	-	257,915	631,285
Sale of merchandise, net of cost					
of goods sold of \$50,486 and \$64,690, respectively	58,057	-	-	58,057	28,931
Special events, net of direct expenses					
of \$79,930 and \$95,935, respectively	17,127	-	-	17,127	50,740
Investment return, net	336,039	58,170	1,760,114	2,154,323	2,382,471
Net assets released from restrictions	335,585	284,096	269,440	889,121	571,826
Endowment appropriations	974,362	-	(974,362)	-	-
Total revenue and support	4,113,808	577,359	1,056,540	5,747,707	5,824,543
Expenses:					
Program services	3,152,509	261,657	-	3,414,166	2,927,970
Management and general	672,447	16,499	-	688,946	648,515
Fundraising	422,593	-	-	422,593	419,185
Total expenses	4,247,549	278,156	-	4,525,705	3,995,670
Change in net assets without donor restrictions	(133,741)	299,203	1,056,540	1,222,002	1,828,873
Changes in Net Assets With Donor Restrictions:					
Contributions	381,568	629,974	-	1,011,542	378,081
Investment return, net	-	-	670,581	670,581	773,060
Net assets released from restrictions	(335,585)	(284,096)	(269,440)	(889,121)	(571,826)
Change in net assets with donor restrictions	45,983	345,878	401,141	793,002	579,315
Change in net assets	(87,758)	645,081	1,457,681	2,015,004	2,408,188
Net Assets, beginning of year	1,449,579	17,738,418	18,037,194	37,225,191	34,817,003
Transfer from operations	184,970	(184,970)	-	-	-
Net Assets, end of year	\$ 1,546,791	\$ 18,198,529	\$ 19,494,875	\$ 39,240,195	\$ 37,225,191

THE AUDUBON SOCIETY OF RHODE ISLAND
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)



	2024								2023	
	Properties and Conservation	Educational and Public Programs	Audubon Nature Center and Aquarium	Water Resources	Advocacy	Total Program Services	Management and General	Fundraising	Total	Total
Salaries and Related Expenses:										
Salaries	\$ 473,229	\$ 999,288	\$ 174,867	\$ 150,546	\$ 94,676	\$ 1,892,606	\$ 400,857	\$ 206,979	\$ 2,500,442	\$ 2,104,091
Payroll taxes	37,082	71,313	13,238	11,896	6,676	140,205	27,084	14,406	181,695	158,930
Employee benefits	92,898	148,265	11,997	15,954	10,249	279,363	70,059	21,502	370,924	339,674
Total salaries and related expenses:	603,209	1,218,866	200,102	178,396	111,601	2,312,174	498,000	242,887	3,053,061	2,602,695
Operating Expenses:										
Professional fees	25,766	2,248	43	58,152	28,250	114,459	51,353	59,622	225,434	246,730
Program expenses	89,078	86,521	44,649	59,337	6,589	286,174	2,095	1,125	289,394	203,330
Repairs, maintenance, tools and services	30,041	16,139	18,362	-	-	64,542	-	-	64,542	39,612
Utilities and rent	59,387	-	62,999	-	-	122,386	-	-	122,386	125,965
Insurance	66,856	7,224	9,196	-	-	83,276	27,688	-	110,964	96,274
Vehicle expense	26,394	11,945	71	3,839	-	42,249	3,317	2,448	48,014	46,449
Telephone	7,408	-	2,087	-	-	9,495	11,585	-	21,080	22,984
Office, printing and postage	1,976	730	5,469	-	-	8,175	15,259	53,601	77,035	107,025
Wildlife and property management	89,038	1,712	39,529	-	-	130,279	-	-	130,279	130,183
Advertising and public communications	1,197	-	3,795	-	-	4,992	-	16,040	21,032	22,747
Computer expenses	2,499	267	2,543	-	-	5,309	7,473	27,042	39,824	46,601
Conferences and meetings	-	10,454	-	-	-	10,454	-	-	10,454	9,321
Development and fundraising	56	-	-	-	-	56	10,985	8,553	19,594	-
Other expenses	4,796	5,522	5,878	463	-	16,659	44,692	11,275	72,626	61,785
Total operating expenses	404,492	142,762	194,621	121,791	34,839	898,505	174,447	179,706	1,252,658	1,159,006
Depreciation	109,993	27,498	65,996	-	-	203,487	16,499	-	219,986	233,969
Total expenses	\$ 1,117,694	\$ 1,389,126	\$ 460,719	\$ 300,187	\$ 146,440	\$ 3,414,166	\$ 688,946	\$ 422,593	\$ 4,525,705	\$ 3,995,670

THE AUDUBON SOCIETY OF RHODE ISLAND
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024
(With Comparative Totals for the Year Ended December 31, 2023)



	2024	2023
Cash Flows from Operating Activities:		
Change in net assets	\$ 2,015,004	\$ 2,408,188
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	219,986	233,969
Net gain on investments	(1,992,353)	(2,405,881)
Donated stock	(275,647)	(26,092)
Beneficial interest in assets held by others net change	(11,854)	(17,072)
Contributed nonfinancial assets	(235,093)	(615,700)
Contributions received for long-term purposes	(629,974)	(49,020)
Changes in assets and liabilities:		
Accounts and grants receivable	(132,563)	1,655
Inventory	-	3,108
Prepaid expenses and other assets	21,185	18,322
Accounts payable and accrued expenses	(2,838)	33,929
Charitable gift annuity	(1,321)	(1,258)
Deferred revenue	7,470	(15,990)
Net cash used by operating activities	(1,017,998)	(431,842)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(336,991)	(67,059)
Purchase of investments	(2,238,867)	(1,054,193)
Proceeds from sale of investments	2,788,644	1,678,638
Net cash provided by investing activities	212,786	557,386
Cash Flows from Financing Activities:		
Contributions received for long-term purposes	629,974	49,020
Net cash provided by financing activities	629,974	49,020
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	(175,238)	174,564
Cash, Cash Equivalents and Restricted Cash, beginning of year	1,724,653	1,550,089
Cash, Cash Equivalents and Restricted Cash, end of year	\$ 1,549,415	\$ 1,724,653
Reconciliation of Cash, Cash Equivalents and Restricted Cash:		
Cash and cash equivalents	\$ 1,296,365	\$ 1,525,060
Cash restricted for land acquisition	253,050	199,593
	<u>\$ 1,549,415</u>	<u>\$ 1,724,653</u>
Supplemental Information:		
Non-cash purchases of property and equipment included in accrued expenses	<u>\$ 54,555</u>	<u>\$ -</u>

**AUDUBON SOCIETY OF RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2024**



1. Nature of Operations

Audubon Society of Rhode Island (the Society) is a not-for-profit corporation established in 1897 and is the oldest environmental organization to promote natural, wildlife resource preservation and public education. The Society is supported primarily through donor contributions, grants, and investment income. The Society's mission is to protect birds, other wildlife and their habitat through conservation, education and advocacy for the benefit of people and all living things.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Society is presented to assist the reader in understanding the Society's financial statements. The financial statements and notes are representations of the Society's management, who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total, without accompanying note disclosures and certain functional expense information. Such information does not include sufficient detail to constitute a presentation in accordance with U.S. GAAP. Accordingly, such information should be read in conjunction with the Society's financial statements and related notes for the year ended December 31, 2023, from which the summarized information was derived.

Basis of Presentation

The Society prepares its financial statements on the accrual basis of accounting and, in accordance with authoritative guidance, reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

AUDUBON SOCIETY OF RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2024



In addition, the activities of the Society are reported in self-balancing fund groups as follows:

Operating Fund

Represents funds available for support of operations.

Plant Fund

Represents (a) property, equipment and wildlife refuges; (b) funds receivable related to capital repair and renovation and wildlife refuge acquisition; (c) resources designated for further property, equipment and wildlife refuge acquisitions.

Long-Term Investments Fund

Represents funds designated by the Board for future use or subject to donor restriction of gift instruments requiring that the principal is invested in perpetuity and only the earnings be used.

Cash and Cash Equivalents

The Society considers all cash balances and highly liquid investments with an original maturity of three months or less to be cash equivalents, except those funds which the Board has designated for investment.

Accounts and Grants Receivable

The Society carries its accounts receivable at net realizable value. On a periodic basis, the Society evaluates its accounts receivable and provides for expected credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions, and reasonable and supportable forecasts.

The Society does not accrue interest on its accounts receivable. A receivable is considered past due if payment has not been received within stated terms. The Society will then exhaust all methods in-house to collect the receivable. Once all particular resources to collect the receivable have been utilized without success, the receivable is deemed uncollectible and charged against the allowance for credit losses. At year-end, the Society determined an allowance for credit losses was not necessary as all receivables were considered collectible.

Inventory

The gift shop inventory has been recorded at the lower of cost or net realizable value using the first-in, first-out method. The inventory consists of retail items such as books, bird feeders, and various other items which relate to the Society's educational and environmental programs.

AUDUBON SOCIETY OF RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2024



Property and Equipment

All expenditures for property and equipment in excess of \$5,000 are capitalized at cost; the fair value of donated assets is similarly recorded. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets, ranging from five to sixty years.

Investments and Fair Value Measurements

The Society reports its investments at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach, as specified by authoritative guidance, are used to measure fair value. Investments classified as current on the statement of financial position include the amount available to be spent within one year based on the endowment spending rate as determined by the Board.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Society has the ability to access.

Level 2 inputs (other than quoted prices included within level 1) are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Society's own data.

The Society reports investments at fair value on a recurring basis. These investments are classified as levels 1 and 2 within the fair value hierarchy.

Level 1 investments owned by the Society and listed on a National Securities Exchange are valued at the last recorded sales price as of the financial statement reporting date. In the absence of recorded sales, level 1 investments are valued at the last quoted bid price reported as of the financial statement reporting date.

Level 2 investment values are determined by obtaining non-binding market prices from the Society's third-party portfolio managers as of the financial statement reporting date. These investments are less actively traded in the market, but quoted market prices exist for similar instruments that are actively traded.

AUDUBON SOCIETY OF RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2024



Investments held by the Rhode Island Foundation (the Foundation) are measured at net asset value (NAV) as a practical expedient to approximate fair value.

The Board has the responsibility for investment activity for the Society and maintains a combined portfolio for net assets without donor restrictions (including board-designated assets) and net assets with donor restrictions. The investments are maintained in a pooled “mutual fund” accounting basis with the total earnings, investment expenses, appreciation and depreciation, whether realized or unrealized, being allocated to each unrestricted and restricted fund within the portfolio on a pro rata basis. Amounts in unrestricted accounts may be withdrawn when required for use by the Society.

Realized and unrealized gains and losses are included in net investment return in the statement of activities. Gains and losses on investments are reported as changes in net assets without donor restrictions, unless restricted by a donor’s explicit stipulation or by a law that extends a donor’s restriction.

Dividends and interest are recorded as received, which does not differ materially from the accrual basis. Purchases and sales of securities are recorded on the trade date.

Wildlife Refuges

Easements acquired by the Society represent numerous restrictions over the use and development of land not owned by the Society. These easements generally provide that the land will be maintained unimpaired in its current natural, agricultural, scenic or recreational state. Land protected by conservation easements held by the Society is valued at cost on the statement of financial position.

The Society capitalizes contributions of land or easements as wildlife refuges. Land purchased for wildlife preservation is recorded at cost as of the date of acquisition. Land donated for wildlife preservation is recorded at estimated fair value at the date of donation.

Deferred Revenue

Advanced funds are recorded in the accounting records by the Society as deferred revenue until such time as the Society incurs expenditures related to the specific program for which the funds have been received.

Support and Revenue Recognition

Contributions - The Society recognizes contributions when cash, securities, or other assets, an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barriers and a right of return - are not recognized until the conditions on which they depend have been met.

AUDUBON SOCIETY OF RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2024



The Society has been named a beneficiary in multiple contributors' wills and planned giving arrangements. These contributions have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met. The amount of the planned contributions cannot be reasonably estimated at this time.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions in the year in which the contribution is made, depending on the existence and nature of any donor restrictions. Contributions may include actual gifts or promises to give. Such contributions are available for unrestricted use unless specifically restricted by the donor or grantor. Donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the Society reports the support as net assets without donor restrictions. Contributions of assets other than cash are recorded at their fair value on the date of the gift.

Grants - A portion of the Society's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Society has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position.

Program Fees - Program fees represent revenue from the Society's workshops, nature and educational programs and summer camp. Revenue from programs is generally recognized when the respective programs take place.

Admissions and Other Income - The Society recognizes revenue from admissions and other income when received.

Contributed Nonfinancial Assets - Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

AUDUBON SOCIETY OF RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2024



Donations of equipment are recorded as contributions at their estimated fair values at the date of donation. Donations of land are recorded at the appraised value, if available, or at the tax assessor's value, if an appraisal is not available. Donated easements are recorded as in-kind revenue, which is reported as contributed nonfinancial assets in the accompanying statement of activities. The Society records the value of donated easements at fair value, based on the values determined by the donor on the date of donation.

Income Taxes

The Society is exempt from income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. Management believes that the Society operates in a manner consistent with its tax-exempt status at both the state and federal levels.

The Society annually files IRS Form 990 - *Return of Organization Exempt from Income Tax*, reporting various information that the IRS uses to monitor the activities of tax-exempt entities. These tax returns are subject to review by the taxing authorities generally for a period of three years after they were filed. The Society currently has no tax examinations in progress.

Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The Society's operating costs have been allocated between program expenses, general and administrative, and fundraising based on direct identification when possible, and allocation if an expenditure benefits more than one program or function. Expenditures that require allocation are allocated on the basis of estimates of time and effort.

Advertising

Advertising expenditures are expensed as incurred.

Estimates and Assumptions

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2023 financial statements have been reclassified to conform to the 2024 financial statement presentation.

AUDUBON SOCIETY OF RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2024



Subsequent Events

Subsequent to December 31, 2024, the federal government announced a freeze on federal grants and loans, which could have an impact on the Society's ability to obtain funding. As a result, management is currently assessing the potential financial and operational implications. While the full extent of the impact is uncertain at this time, the Society may need to adjust its operations to mitigate any adverse effects. Management will continue to monitor the situation and take appropriate action as needed.

Management has evaluated subsequent events through August 29, 2025, which is the date these financial statements were available to be issued.

3. Program Service Accomplishments (Unaudited)

Properties and Conservation

The Society stewards approximately 9,800 acres of protected wildlife refuges and conservation properties, preserving essential habitats for a wide range of plant and animal species. These lands span a variety of ecosystems including coastal marshes, forests, wetlands, and grasslands each playing a critical role in Rhode Island's ecological health.

Among the Society's signature properties are:

- **Claire D. McIntosh Wildlife Refuge (28 acres)** - Home to the Audubon Nature Center and Aquarium, this refuge offers an immersive experience in environmental education and estuarine habitats.
- **Caratunk Wildlife Refuge (Seekonk, MA)** - One of the Society's most frequently visited sites, Caratunk features miles of trails through meadows, woodlands, and wetlands.
- **Parker Woodland** - Known for its ancient stone walls, mature forest, and exceptional biodiversity, this refuge invites exploration and offers a glimpse into the region's natural and cultural history.

Each of these refuges supports conservation, education, and recreation, serving as vital resources for wildlife and the public alike.

The Society's conservation work is rooted in a commitment to protecting Rhode Island's natural heritage. Key initiatives include safeguarding endangered species, restoring native plant communities, and controlling invasive species to maintain ecological balance. The Society also works to shield critical habitats from development and environmental degradation, ensuring these landscapes remain resilient for generations to come.

AUDUBON SOCIETY OF RHODE ISLAND
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2024



Community involvement plays a vital role in these efforts. Through a robust **citizen science program**, volunteers help monitor bird populations, assess water quality, and track ecological changes. This engagement not only supports research and habitat management but also deepens the public's connection to the environment.

Together, the Society's land stewardship and conservation programs create a lasting impact preserving biodiversity, fostering environmental awareness, and protecting the natural beauty of Rhode Island and beyond.

Education and Public Engagement Programs

The Society is strongly dedicated to education and community involvement, with a mission to inspire environmental stewardship across all ages. Its educational programs are broad and inclusive, offering enriching experiences for children, adults, and families alike.

Throughout the year, the Society hosts a variety of events, such as guided nature walks, bird-watching outings, and seasonal festivals. These events create opportunities for people to connect with the natural world while enjoying recreation, learning, and a sense of community.

In addition, the Society offers workshops and lectures covering topics like bird identification, habitat restoration, and sustainable living. These programs equip participants with the knowledge and tools to make environmentally responsible choices in their everyday lives.

The Society's outreach goes beyond its own properties through partnerships with schools, community groups, and government agencies to promote environmental education and conservation. One standout initiative, the **Audubon Youth Conservation League**, helps develop future environmental leaders by offering mentorship, hands-on training, and opportunities to participate in real-world conservation efforts.

A core value of the Society is inclusivity. All programs are designed to be accessible to every member of the community, encouraging a shared commitment to protecting and preserving Rhode Island's natural environment.

Audubon Nature Center and Aquarium

Located in Bristol, Rhode Island, the Audubon Nature Center and Aquarium serves as the Society's primary hub for environmental education and public engagement. This dynamic facility invites visitors of all ages to immerse themselves in the natural world through interactive exhibits, live animal displays, and aquariums featuring local marine species.

The Center offers a rich exploration of southern New England's ecosystems, from coastal marshes to forested wetlands. Nature trails and a boardwalk wind through a salt marsh to the shores of Narragansett Bay, offering exceptional opportunities for birdwatching and wildlife observation.

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Designed to inspire curiosity and stewardship, the Center provides a wide range of educational programs for learners of all ages. School groups can participate in hands-on field trips that align with state science standards, reinforcing classroom learning through direct engagement with nature. In the summer, the Center hosts nature camps where children explore, discover, and deepen their connection to the environment.

Adults are also invited to learn and engage through a variety of workshops, lectures, and guided tours that cover topics such as ecology, conservation, and sustainable living. These programs empower participants to make informed, environmentally responsible decisions and become active stewards of their communities.

Public engagement is central to the Center's mission. Signature events such as Raptor Weekend, the Society's largest public gathering, draw thousands of visitors each year, celebrating the natural world and fostering a sense of community. Beyond its walls, the Center partners with local schools, organizations, and environmental groups to bring its message of conservation into the broader community.

Through its immersive exhibits, educational programming, and wide-reaching outreach efforts, the Audubon Nature Center and Aquarium plays a vital role in inspiring a lifelong appreciation for nature among Rhode Island residents and visitors alike.

Water Resources

The Society leads the **Stormwater Innovation Center**, a regional hub for advancing sustainable, nature-based stormwater management solutions and educating communities on their critical importance. Located in **Roger Williams Park**, the Center functions as a living laboratory, demonstrating innovative green infrastructure designed to reduce stormwater runoff and improve water quality. Features such as rain gardens, bioswales, permeable pavements, and green roofs are seamlessly integrated into the Park's landscape, offering real-world examples of urban stormwater solutions.

Under the Society's leadership, the Stormwater Innovation Center serves as both a model and a catalyst for change, showcasing best practices while helping municipalities, developers, and environmental professionals implement effective stormwater strategies throughout the region.

Education and Training are central to the Center's mission. Through a wide range of workshops, guided tours, and hands-on training sessions, the Center engages audiences from all backgrounds—including students, residents, municipal staff, and environmental practitioners. These programs not only demonstrate the function and benefits of green infrastructure but also empower participants to apply these practices in their own communities.

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The Center also partners with local schools to provide curriculum-aligned educational programs, helping students understand the science behind stormwater management and its role in protecting waterways, wildlife, and ecosystems.

As climate challenges grow, the Stormwater Innovation Center plays a vital role in promoting **climate resilience** through research, demonstration, and innovation. The Society collaborates with universities, government agencies, and environmental organizations to pilot new technologies, conduct data-driven research, and refine stormwater practices for broader application. These partnerships contribute to a growing body of knowledge that supports smarter, more efficient infrastructure planning.

Through its leadership, outreach, and collaborative spirit, the Society ensures that the Stormwater Innovation Center remains at the forefront of sustainable water management driving innovation, building community capacity, and setting a national example for urban resilience.

Advocacy

The Society is deeply committed to environmental advocacy, working to advance policies and initiatives that safeguard Rhode Island's natural resources and wildlife. With decades of leadership in this area, the Society plays an active role in the legislative process championing laws and regulations that support conservation, climate resilience, biodiversity, sustainable land use, and clean energy.

By engaging directly with policymakers, the Society provides scientific expertise, research, and data-driven insights to inform sound environmental decision-making. These advocacy efforts have led to meaningful protections for critical habitats and at-risk species, helping to preserve Rhode Island's natural heritage for future generations.

Beyond the State House, the Society builds strategic partnerships with environmental organizations, academic institutions, and the business community to amplify its impact. These collaborations allow the Society to address complex environmental challenges and drive major initiatives, such as the *Act on Climate*, that require broad, coordinated action.

Through its advocacy work, the Society not only influences policy but also helps shape a collective vision for a more sustainable and resilient Rhode Island. By uniting voices and leveraging shared expertise, the Society strengthens its role as a leading advocate for environmental stewardship across the state and beyond.

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4. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 1,296,365
Investments, current	973,157
Accounts and grants receivable	329,743
Total financial assets available within one year	<u>2,599,265</u>
Less:	
Amounts unavailable for general expenditure within one year:	
Subject to donor purpose restrictions	<u>(1,485,590)</u>
Total financial assets available for general expenditure within one year	<u><u>\$ 1,113,675</u></u>

The Society has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In the event of an unanticipated liquidity needed, the Board, at its discretion, could expend from its board-designated funds of \$14,000,650 at December 31, 2024 (Note 10), other than amounts appropriated for general expenditure, in the event of an emergency.

5. Property and Equipment

Property and equipment consisted of the following:

Land, buildings and improvements	\$ 6,575,457
Furniture and equipment	423,570
Vehicles	250,621
Construction in progress	369,610
	<u>7,619,258</u>
Less: accumulated depreciation	<u>(4,805,490)</u>
Total property and equipment	<u><u>\$ 2,813,768</u></u>

Construction in progress represents work related to the HVAC system upgrade at the Bristol location. At December 31, 2024, the Society estimated the remaining costs to complete the HVAC project were approximately \$101,000. The HVAC project is expected to be completed in early 2025.

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6. Investments and Beneficial Interest

Investments and beneficial interest in assets held by others are presented in the financial statements at their aggregate fair value and consist of the following:

	Level 1	Level 2	NAV (a)
Cash and cash equivalents	\$ 735,539	\$ -	\$ -
Equity securities:			
Basic Materials	281,872	-	-
Communication Services	1,038,766	-	-
Consumer Cyclical	741,283	-	-
Consumer Defensive	458,148	-	-
Domestic mutual fund	766,728	-	-
Financial Services	2,363,012	-	-
Healthcare	834,769	-	-
Industrials	537,476	-	-
Other Equities	2,932,430	-	-
Real Estate	130,556	-	-
Technology	2,492,540	-	-
Total equity securities	12,577,580	-	-
Fixed income securities:			
Government bonds	288,594	-	-
Corporate bonds	-	295,790	-
Mutual funds	-	5,633,107	-
Total fixed income securities	288,594	5,928,897	-
Beneficial interest in assets held by others	-	-	236,660
Total investments	\$ 13,601,713	\$ 5,928,897	\$ 236,660

(a) In accordance with Subtopic 820-10, certain financial instruments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of financial position and notes to the financial statements.

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Beneficial Interest in Assets Held by Others

In June 2015, the Society established the Audubon Society of Rhode Island Endowment Fund (the Fund) at the Rhode Island Foundation (the Foundation) and agreed that the Society would receive annual distributions determined by the Foundation's spending rule in effect at the time of distribution. At December 31, 2024, the spending rate was 4.5% of the Fund's balance, averaged over the previous 16 quarters (or over the total number of quarters in existence, if less than 16). For the year ended December 31, 2024, the Fund's balance, reported as beneficial interest in assets held by others in the accompanying statement of financial position, totaled \$236,660.

Beneficial Interest in Perpetual Trust

The Society holds a beneficial interest in several perpetual trusts with the Foundation, which has variance power over the funds. Under the terms of the trust agreements, the Society has the irrevocable right to receive the income earned by these trusts. In accordance with the donors' wishes, the distributions received by the Society from these trusts are available for current operations and the operation of the Eppley Wildlife Sanctuary. Since the Foundation has variance power over the trusts, no asset has been recorded for this beneficial interest in the accompanying financial statements. During the year ended December 31, 2024, the Society received a distribution of trust income in the amount of \$273,054 for current operations and \$58,170 for the operation of the Eppley Wildlife Sanctuary, which are included in investment return in the accompanying statement of activities.

7. Endowment

Donor-restricted Endowment

The Society's donor-restricted endowment consists of individual funds established at the request of the donors for specific purposes.

Board-designated Funds Functioning as an Endowment

The Board designated certain net assets without donor restrictions as funds functioning as an endowment to support the mission of the Society. Since the funds resulted from an internal designation and are not donor-restricted, they are classified and reported as net assets without donor restrictions. However, they are managed in the same manner as the donor-restricted endowment funds described below.

Interpretation of Relevant Law

The Rhode Island Uniform Prudent Management of Institutional Funds Act (RIUPMIFA) requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result, the Society classifies as net assets with donor restrictions (a) the original value of the gift donated to the permanent endowment (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the donor's gift instrument.

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The remaining portion of the donor-restricted fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Society in a manner consistent with the standard of prudence prescribed by RIUPMIFA.

In accordance with RIUPMIFA, the Society considers the long and short-term needs of the Society in carrying out its mission, the Society's present and anticipated financial requirements, expected total returns on the Society's investments, and general economic conditions in making a determination to appropriate or accumulate donor-restricted endowment funds.

Changes in endowment net assets were as follows for the year ended December 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 12,944,110	\$ 5,093,084	\$ 18,037,194
Contributions	1,348	-	1,348
Investment return, net	1,760,114	670,581	2,430,695
Appropriations	(704,922)	(269,440)	(974,362)
Endowment net assets, end of year	<u>\$ 14,000,650</u>	<u>\$ 5,494,225</u>	<u>\$ 19,494,875</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or RIUPMIFA requires the Society to retain as a fund of perpetual duration. There were no such funds with deficiencies as of December 31, 2024.

Return Objective and Risk Parameters

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity as well as board designated funds. Given the relationship between risk and return, a fundamental step in determining the investment policy for endowment funds is the determination of an appropriate risk tolerance.

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After taking into consideration such factors as corporate financial stability, uncertainty of cash flows in and out of the endowment funds over the long term and capital market volatility, the Board believes a moderate risk strategy is prudent. Under this policy, as approved by the Board, the goal is to have stable returns over the long term, with a reduced potential of negative returns in any given year.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets a diversified asset allocation to achieve its long-term return objectives with prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to the Spending Policy

For 2024, the Society has a policy of appropriating for distribution up to 5.5% of its endowment fund's average fair value over the prior 12-quarter trailing average preceding the fiscal year in which the distribution is planned. In establishing this policy, the Society considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Society expects the current spending policy to allow its endowment funds to grow and is consistent with the Society's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

8. Charitable Gift Annuity

The Society has received a charitable gift which requires annuity payments, in the future, to the donor. The annuity is paid periodically at the rate of 8.2%. The Society has recorded a liability for the present value of the annuity based on the life expectancy of the donor at a discount rate of 5%. As of December 31, 2024, the remaining gift annuity balance was \$13,254.

9. Line of Credit

The Society had a line of credit available with a limit of \$500,000 secured by investments in marketable securities. The interest rate was equal to the simple Secured Overnight Financing Rate (SOFR) plus an additional 3.04%. The line of credit was closed as of November 22, 2024.

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10. Net Assets

Net Assets without Donor Restrictions:

Undesignated	\$ 581,181
Invested in property and equipment, net	2,813,768
Invested in wildlife refuges	15,131,711
Board-designated endowment	<u>14,000,650</u>

Total net assets without donor restrictions	<u><u>\$ 32,527,310</u></u>
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Net Assets with Donor Restrictions:

Subject to expenditure for specified purpose:

Advocacy	\$ 44,546
Blackstone project	10,000
Camp scholarships	8,344
Caratunk	116,618
Conservation project	41,230
Educational exhibit development	43,638
Fisherville initiative	9,770
Land acquisitions	253,050
Net Zero initiative	292,421
Ornithologist fund	21,620
Palmeri Pollinator Fund	149,278
Personnel expenses	4,157
Stormwater innovation	35,000
Terracorps	34,503
Urban environmental education	74,340
Youth Conservation League	<u>80,145</u>
Total subject to expenditure for specified purpose	<u><u>1,218,660</u></u>

Subject to spending policy and appropriations:

Animal care	29,697
Education	719,241
General operations	113,812
Land conservation and stewardship	<u>1,625,302</u>
Total subject to spending policy and appropriations	<u><u>2,488,052</u></u>

Subject to restriction in perpetuity:

Animal care	35,883
Education	869,023
General operations	137,507
Land conservation and stewardship	<u>1,963,760</u>
Total subject to restriction in perpetuity	<u><u>3,006,173</u></u>

Total net assets with donor restrictions	<u><u>\$ 6,712,885</u></u>
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Rental Income

Rental income includes amounts relating to space leased on a month-to-month basis and an office space lease expiring in 2026. During the year ended December 31, 2024, the Society recorded rental income from these leases of approximately \$51,300, which is included in rental income on the accompanying statement of activities. The remaining amounts making up total rental income on the accompanying statement of activities are principally from short-term leases for the cabin and auditorium available for rent to the public.

Future minimum rentals to be received under noncancelable operating leases are as follows:

<u>Year Ending</u>	
December 31, 2025	\$ 40,275
December 31, 2026	<u>34,259</u>
Total	<u><u>\$ 74,534</u></u>

11. Contributed Nonfinancial Assets

Contributed nonfinancial assets in the accompanying statement of activities include items and services donated to the Society to be auctioned or raffled off at fundraising events. The Society records the donations at the fair value at the date of donation, which is subsequently adjusted to the amount ultimately received for the item. Donated auction and raffle items totaled \$22,822 for the year ended December 31, 2024.

Contributed nonfinancial assets also include land donated to the Society during the year ended December 31, 2024. The Society records the value of donated land at fair value at the date of the donation based on an appraisal or the cash value established by the local tax assessor. Donated land totaled \$235,093 for the year ended December 31, 2024.

12. Commitments

The Society leases office equipment under various operating leases expiring through March 2028. Rent expense under these leases totaled approximately \$3,900 and is included in office expenses on the accompanying statement of functional expenses. Since the lease payments are not considered material, authoritative guidance relating to lease accounting has not been applied.

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At December 31, 2024, future minimum lease payments are as follows:

<u>Year Ending</u>	
December 31, 2025	\$ 3,900
December 31, 2026	2,200
December 31, 2027	1,000
December 31, 2028	<u>200</u>
 Total	 <u><u>\$ 7,300</u></u>

13. Pension Plan

On September 1, 2008, the Society adopted a 401(k) plan, which covers substantially all employees. Participating employees may elect to contribute, on a pre-tax 401(k) or after-tax Roth 401(k) basis, a portion of their compensation, in accordance with Section 401(k) of the Internal Revenue Code. The Society may make discretionary matching contributions equal to a uniform percentage of the employee's salary deferral. The Society will determine this discretionary matching percentage annually. The Society's matching contributions for the year ended December 31, 2024 totaled \$31,100.

14. Concentrations of Risk

Financial instruments that potentially subject the Society to concentrations of credit risk consist primarily of cash and cash equivalents and investments.

The Society maintains cash and cash equivalents in two financial institutions. One financial institution's balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The other financial institution's balance is not covered by the FDIC insurance. At year-end, the uninsured portion of cash and cash equivalents was approximately \$1,277,000. The Society monitors its exposure with regard to cash and cash equivalents and has not experienced any losses on its accounts.

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 possible that changes in values of investment securities could occur in the near term and that such changes could materially affect investment balances and activity included in the financial statements. The Society has a diversified portfolio for all of its investments and retains an investment advisor to attain a prudent level of diversification in an attempt to minimize potential risk associated with investment securities to the extent possible.