AUDUBON SOCIETY OF RHODE ISLAND

Financial Statements

Year Ended December 31, 2025

(With Independent Auditors' Report Thereon)

KLR Ltd.
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KLR

Certified Public Accountants and Business Consultants

AUDUBON SOCIETY OF RHODE ISLAND

FINANCIAL STATEMENTS

Year Ended December 31, 2025

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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, 2025, 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, 2025, 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

KLR Ltd.

October 29, 2026

AUDUBON SOCIETY OF RHODE ISLAND
STATEMENT OF FINANCIAL POSITION
December 31, 2025
(With Comparative Totals at December 31, 2024)

	2025				2024
Assets	**Operating**	**Plant**	**Long-term Investments**	**Total**	**Total**
Current Assets:					
Cash and cash equivalents	$ 791,334	$ -	$ -	$ 791,334	$ 1,296,365
Investments, current	1,229,198	-	-	1,229,198	973,157
Accounts and grants receivable	463,423	-	-	463,423	329,743
Inventory	15,855	-	-	15,855	20,595
Prepaid expenses and other assets	11,916	-	-	11,916	1,425
Total current assets	**2,511,726**	**-**	**-**	**2,511,726**	**2,621,285**
Restricted Cash	-	249,943	-	249,943	253,050
Property and Equipment, net	-	2,963,620	-	2,963,620	2,813,768
Investments, non-current	272,396	-	20,034,683	20,307,079	18,557,453
Beneficial Interest in Assets Held by Others	-	-	260,162	260,162	236,660
Wildlife Refuges	-	15,174,717	-	15,174,717	15,131,711
Total Assets	**$ 2,784,122**	**$ 18,388,280**	**$ 20,294,845**	**$ 41,467,247**	**$ 39,613,927**
Liabilities and Net Assets					
Current Liabilities:					
Accounts payable and accrued expenses	$ 371,676	$ -	$ -	$ 371,676	$ 332,261
Charitable gift annuity, current portion	1,456	-	-	1,456	1,388
Deferred revenue	1,477	-	-	1,477	28,217
Total current liabilities	**374,609**	**-**	**-**	**374,609**	**361,866**
Charitable Gift Annuity, less current portion	10,410	-	-	10,410	11,866
Total liabilities	**385,019**	**-**	**-**	**385,019**	**373,732**
Net Assets:					
Without donor restrictions	1,303,117	18,138,337	14,587,642	34,029,096	32,527,310
With donor restrictions	1,095,986	249,943	5,707,203	7,053,132	6,712,885
Total net assets	**2,399,103**	**18,388,280**	**20,294,845**	**41,082,228**	**39,240,195**
Total Liabilities and Net Assets	**$ 2,784,122**	**$ 18,388,280**	**$ 20,294,845**	**$ 41,467,247**	**$ 39,613,927**

See accompanying notes to the financial statements and independent auditors' report.

AUDUBON SOCIETY OF RHODE ISLAND
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025				2024
	Operating	Plant	Long-term Investments	Total	Total
Changes in Net Assets Without Donor Restrictions:					
Revenue and support:					
Contributions	$ 403,384	$ -	$ -	$ 403,384	$ 63,161
Grants	2,310,682	-	-	2,310,682	1,821,084
Program fees	336,777	-	-	336,777	299,669
Rental income	129,884	-	-	129,884	122,696
Admissions and other income	105,160	-	-	105,160	64,554
Contributed nonfinancial assets	2,927	-	-	2,927	257,915
Sale of merchandise, net of cost of goods sold of $55,635 and $50,486, respectively	26,970	-	-	26,970	58,057
Special events, net of direct donor benefit of $36,793 and $79,930, respectively	2,845	-	-	2,845	17,127
Investment return, net	355,292	61,794	1,576,858	1,993,944	2,154,323
Net assets released from restrictions	350,188	280,819	370,289	1,001,296	889,121
Endowment appropriations	1,360,155	-	(1,360,155)	-	-
Total revenue and support	**5,384,264**	**342,613**	**586,992**	**6,313,869**	**5,747,707**
Expenses:					
Program services	3,610,756	248,688	-	3,859,444	3,414,166
Management and general	495,643	15,154	-	510,797	688,946
Fundraising	441,842	-	-	441,842	422,593
Total expenses	**4,548,241**	**263,842**	**-**	**4,812,083**	**4,525,705**
Change in net assets without donor restrictions	**836,023**	**78,771**	**586,992**	**1,501,786**	**1,222,002**
Changes in Net Assets With Donor Restrictions:					
Contributions	193,402	564,874	-	758,276	1,011,542
Investment return, net	-	-	583,267	583,267	670,581
Net assets released from restrictions	(350,188)	(280,819)	(370,289)	(1,001,296)	(889,121)
Change in net assets with donor restrictions	**(156,786)**	**284,055**	**212,978**	**340,247**	**793,002**
Change in net assets	**679,237**	**362,826**	**799,970**	**1,842,033**	**2,015,004**
Net Assets, beginning of year	**1,546,791**	**18,198,529**	**19,494,875**	**39,240,195**	**37,225,191**
Transfer from operations	173,075	(173,075)	-	-	-
Net Assets, end of year	**$ 2,399,103**	**$ 18,388,280**	**$ 20,294,845**	**$ 41,082,228**	**$ 39,240,195**

See accompanying notes to the financial statements and independent auditors' report.

AUDUBON SOCIETY OF RHODE ISLAND
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025									2024
	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	$ 439,090	$ 1,307,004	$ 217,050	$ 230,315	$ 51,225	$ 2,244,684	$ 142,610	$ 224,483	$ 2,611,777	$ 2,500,442
Payroll taxes	30,182	81,867	16,401	18,038	3,583	150,071	39,830	15,767	205,668	181,695
Employee benefits	114,886	179,027	26,402	25,968	5,680	351,963	56,565	25,792	434,320	370,924
Total salaries and related expenses	**584,158**	**1,567,898**	**259,853**	**274,321**	**60,488**	**2,746,718**	**239,005**	**266,042**	**3,251,765**	**3,053,061**
Operating Expenses:										
Professional fees	18,131	228	788	85,893	36,250	141,290	93,748	56,035	291,073	225,434
Education and camp programs	-	30,792	32,174	-	-	62,966	-	-	62,966	85,283
Contracts and conservation services	-	1,375	-	63,697	-	65,072	-	-	65,072	60,679
Other program services	134	27,147	134	854	1,368	29,637	2,179	682	32,498	45,990
Research activities	-	17,442	-	-	-	17,442	-	-	17,442	7,107
Repairs, maintenance, tools and services	21,802	21,142	12,962	53	-	55,959	-	369	56,328	64,542
Utilities and rent	64,279	-	57,214	-	-	121,493	-	-	121,493	122,386
Insurance	71,063	8,694	14,008	-	-	93,765	27,527	-	121,292	110,964
Vehicle expense	35,984	13,523	137	8,876	504	59,024	8,101	137	67,262	48,014
Telephone	7,222	-	3,515	-	-	10,737	11,408	-	22,145	21,080
Office, printing and postage	4,810	1,845	5,193	121	29	11,998	10,064	59,840	81,902	77,035
Wildlife and property management	179,603	2,292	35,498	-	-	217,393	61	-	217,454	219,358
Advertising and public communications	2,106	2,288	896	-	2,622	7,912	582	18,844	27,338	22,288
Computer expenses	3,070	849	6,001	2,836	-	12,756	19,167	23,876	55,799	39,824
Conferences and meetings	-	7,051	-	-	-	7,051	3,550	-	10,601	10,454
Development and fundraising	143	186	-	-	-	329	10,141	8,637	19,107	19,594
Other expenses	4,872	2,780	3,320	-	36	11,008	70,110	7,380	88,498	72,626
Total operating expenses	**413,219**	**137,634**	**171,840**	**162,330**	**40,809**	**925,832**	**256,638**	**175,800**	**1,358,270**	**1,252,658**
Depreciation	101,024	25,256	60,614	-	-	186,894	15,154	-	202,048	219,986
Total expenses	**$ 1,098,401**	**$ 1,730,788**	**$ 492,307**	**$ 436,651**	**$ 101,297**	**$ 3,859,444**	**$ 510,797**	**$ 441,842**	**$ 4,812,083**	**$ 4,525,705**

See accompanying notes to the financial statements and independent auditors' report.

AUDUBON SOCIETY OF RHODE ISLAND
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025
(With Comparative Totals for the Year Ended December 31, 2024)

	2025	2024
Cash Flows from Operating Activities:		
Change in net assets	$ 1,842,033	$ 2,015,004
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	202,048	219,986
Net gain on investments	(1,861,500)	(1,992,353)
Donated stock	(72,163)	(275,647)
Beneficial interest in assets held by others net change	(23,502)	(11,854)
Contributed nonfinancial assets	-	(235,093)
Contributions received for long-term purposes	(564,874)	(629,974)
Changes in assets and liabilities:		
Accounts and grants receivable	(133,680)	(132,563)
Inventory	4,740	-
Prepaid expenses and other assets	(10,491)	21,185
Accounts payable and accrued expenses	39,415	(2,838)
Charitable gift annuity	(1,388)	(1,321)
Deferred revenue	(26,740)	7,470
Net cash used by operating activities	**(606,102)**	**(1,017,998)**
Cash Flows from Investing Activities:		
Purchase of land for wildlife refuges	(43,006)	-
Purchase of property and equipment	(351,900)	(336,991)
Purchase of investments	(17,484,683)	(2,238,867)
Proceeds from sale of investments	17,412,679	2,788,644
Net cash provided (used) by investing activities	**(466,910)**	**212,786**
Cash Flows from Financing Activities:		
Contributions received for long-term purposes	564,874	629,974
Net cash provided by financing activities	**564,874**	**629,974**
Net Decrease in Cash, Cash Equivalents and Restricted Cash	**(508,138)**	**(175,238)**
Cash, Cash Equivalents and Restricted Cash, beginning of year	**1,549,415**	**1,724,653**
Cash, Cash Equivalents and Restricted Cash, end of year	**$ 1,041,277**	**$ 1,549,415**
Reconciliation of Cash, Cash Equivalents and Restricted Cash:		
Cash and cash equivalents	$ 791,334	$ 1,296,365
Cash restricted for land acquisition	249,943	253,050
	$ 1,041,277	$ 1,549,415
Supplemental Information:		
Non-cash purchases of property and equipment included in accrued expenses	$ -	$ 54,555

See accompanying notes to the financial statements and independent auditors' report.

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, 2024, 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.

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, Cash Equivalents and Restricted Cash
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. Restricted cash consists of funds which are restricted by donors for land acquisitions.

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 practical 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.

Property and Equipment
All expenditures for property and equipment of $5,000 or more 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 level 1 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.

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 barrier and a right of return - are not recognized until the conditions on which they depend have been met.

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 earned, which is 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.

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.

The Society believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

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, management and general, 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 2024 financial statements have been reclassified to conform to the 2025 financial statement presentation.

Subsequent Events
Management has evaluated subsequent events through October 29, 2026, which is the date these financial statements were available to be issued.

3. Program Service Accomplishments (Unaudited)

Properties and Conservation
The Society stewards approximately 10,000 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 of which plays 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.
- **Maxwell Mays Wildlife Refuge (Coventry, RI)**
- **Fisherville Brook Wildlife Refuge (Exeter, RI)**
- **Powder Mill Ledges Wildlife Refuge (Smithfield, RI)**

During 2025, the Society continued to strengthen its land conservation and stewardship programs. Major activities included invasive-species management, native habitat restoration, trail and infrastructure improvements, and planning for long-term habitat enhancement. Work included habitat restoration planning at the Racquet Road Wildlife Refuge in Jamestown, invasive-species removal and native planting efforts at Haffenreffer Wildlife Refuge, improvements to the boardwalk at Touisset Marsh Wildlife Refuge, and continued evaluation of opportunities to protect additional high-priority conservation lands.

Bird Conservation and Research

Science and research are increasingly important components of the Society's conservation mission. Through long-term monitoring, field research, community science, and partnerships with academic institutions and conservation organizations, the Society works to better understand the status of Rhode Island's bird populations and the environmental changes affecting them.

During 2025, the Society continued and expanded monitoring programs focused on Ospreys, Eastern Bluebirds, Chimney Swifts, and other priority bird species. The Society also conducted insect surveys and other ecological monitoring designed to improve understanding of the relationships among birds, their food sources, and changing habitat conditions.

The Society's long-running Osprey monitoring program remained an important measure of environmental health in Rhode Island. Following concerning changes observed in Osprey nesting and reproductive success, the Society increased its research and monitoring efforts to better understand potential causes and identify emerging threats. This work combined field observations, historical data, volunteer monitoring, and collaboration with researchers and conservation partners.

Community scientists and volunteers were essential partners in this work. Their observations and monitoring significantly expanded the Society's ability to collect long-term data across Rhode Island while providing meaningful opportunities for residents to participate directly in conservation science.

Education and Public Engagement Programs

Environmental education remained central to the Society's mission. The Society provided environmental education experiences to thousands of children and adults through school programs, field trips, camps, public programs, wildlife refuges, nature centers, and community partnerships.

The Society continued to prioritize reaching children and families in Rhode Island's urban communities. Programs were delivered both at the Society's facilities and directly in schools and communities, reducing barriers to participation in environmental education.

The Society offered a broad range of public programming, including guided bird walks, wildlife programs, lectures, workshops, seasonal programs, and family events. Partnerships with schools, libraries, municipalities, community organizations, and other nonprofits extended the Society's educational reach beyond its wildlife refuges.

The Audubon Youth Conservation League continued to provide young people with paid, hands-on experience in conservation and environmental stewardship. Participants worked alongside the Society's staff on habitat management, trail maintenance, invasive-species control, and other conservation projects while developing professional and leadership skills.

Accessibility and inclusion also remained priorities. Through the Society's All-Abilities initiatives, facility improvements, partnerships, and specialized programming, the Society continued working to make nature and environmental education accessible to a broader range of Rhode Islanders.

Audubon Nature Center and Aquarium

Located in Bristol, Rhode Island, the Audubon Nature Center and Aquarium served as the Society's flagship center for environmental education and public engagement. Situated within the 28-acre Claire D. McIntosh Wildlife Refuge, the facility combined interactive exhibits, live animal ambassadors, aquariums featuring local marine life, walking trails, and a boardwalk extending through salt marsh habitat toward Narragansett Bay.

The Nature Center continued to serve school groups, families, members, campers, and visitors from throughout Rhode Island and southern New England. Curriculum-based field trips provided students with hands-on science experiences, while summer camps, public programs, wildlife encounters, bird walks, and family activities encouraged people of all ages to explore the natural world.

The Nature Center continued efforts to expand accessibility and reduce barriers to participation. Free Family Fun Days, supported through philanthropic partnerships, provided families with opportunities to experience the Nature Center regardless of their ability to pay. The Society also continued improvements designed to make the facility and its programs more accessible to visitors of varying abilities.

The Bristol campus also became an increasingly visible demonstration of the Society's commitment to addressing climate change. Through RePower Audubon, the Society substantially reduced fossil-fuel consumption at the facility through building electrification and energy-efficiency improvements and advanced development of a major solar carport project. These investments are part of the Society's broader effort to move its operations toward net-zero energy use while demonstrating practical climate solutions to the public.

Water Resources

The Society led the Stormwater Innovation Center at Roger Williams Park, a regional resource for advancing sustainable stormwater management, improving water quality, and helping communities respond to the impacts of climate change.

Using Roger Williams Park as a living laboratory, the Center studied and demonstrated green infrastructure and stormwater practices, including water-quality and cyanobacteria monitoring. It also provided technical assistance, workshops, professional training, and educational programs for students, residents, municipal staff, and environmental professionals. Through partnerships with municipalities, state agencies, universities, environmental organizations, and community groups, the Center translated its research into practical approaches to manage runoff, reduce pollution and flooding, and strengthen climate resilience throughout Rhode Island and the region.

Advocacy

The Society continued to strengthen its environmental advocacy program by working with policymakers, partner organizations, municipalities, members, and community leaders to advance policies protecting birds, wildlife, habitat, clean water, and Rhode Island's natural resources.

A major accomplishment during the year was the Society's work supporting legislation to address the threat posed to wildlife by second-generation anticoagulant rodenticides (SGARs). These rodenticides can move through the food chain when poisoned rodents are consumed by raptors and other predators. The Society worked with legislators, municipalities, conservation partners, members, and other stakeholders to build support for a comprehensive approach emphasizing integrated pest management and reducing wildlife exposure to these chemicals.

The Society also advocated for increased state investment in land conservation, protection of forests and important wildlife habitats, climate and clean-energy policies, and responsible land-use decisions. The Society provided testimony, scientific information, policy analysis, and opportunities for members and supporters to participate in the legislative process.

Together, these efforts strengthened the Society's role as a science-based voice for conservation and environmental policy in Rhode Island and supported its broader mission of protecting birds, wildlife, and the places they need to thrive.

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	$ 791,334
Investments, current	1,229,198
Accounts and grants receivable	463,423
Total financial assets available within one year	2,483,955
Less:	
Amounts unavailable for general expenditure within one year:	
Subject to donor purpose restrictions	(1,602,945)
Total financial assets available for general expenditure within one year	$ 881,010

The Society has a policy to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. In the event of an unanticipated liquidity need, the Board, at its discretion, could make amounts available from its board-designated funds of $14,587,642 at December 31, 2025 (Note 7), other than amounts appropriated for general expenditure. In addition, the Society maintains a line of credit with a financial institution providing for borrowings of up to $500,000, which is available to support operating cash flow needs (Note 9).

5. Property and Equipment

Property and equipment consisted of the following:

Land, buildings and improvements	$ 7,063,027
Furniture and equipment	423,570
Vehicles	258,120
Construction in progress	226,441
	7,971,158
Less: accumulated depreciation	(5,007,538)
Total property and equipment	$ 2,963,620

Construction in progress consisted primarily of an HVAC upgrade at the Society's Smithfield location and solar installations at its Bristol and Smithfield locations. At December 31, 2025, capitalized costs totaled approximately $50,000 for the HVAC project and $176,000 for the solar projects. The HVAC project was placed into service in early 2026 and did not incur significant additional costs after December 31, 2025. The solar projects are expected to be completed in 2027. Remaining commitments for the solar projects were approximately $1.65 million at December 31, 2025.

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 consisted of the following:

	Level 1	NAV (a)
Cash and cash equivalents	$ 411,857	$ -
Equity securities:		
Consumer discretionary	1,091,640	-
Consumer staples	561,904	-
Energy financials	2,304,819	-
Healthcare	1,301,582	-
Industrials	1,580,810	-
Information technology	4,721,334	-
Materials	349,042	-
Real estate	303,022	-
Telecommunication services	1,657,587	-
Utilities	137,802	-
Total equity securities	14,009,542	-
Fixed income securities:		
Government bonds	7,114,878	-
Total fixed income securities	7,114,878	-
Beneficial interest in assets held by others	-	260,162
Total	$ 21,536,277	$ 260,162

(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.

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, 2025, 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, 2025, the Fund's balance, reported as beneficial interest in assets held by others in the accompanying statement of financial position, totaled $260,162.

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, 2025, the Society received distributions of trust income in the amount of $289,000 for current operations and $61,794 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.

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, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 14,000,650	$ 5,494,225	$ 19,494,875
Investment return, net	1,576,858	583,267	2,160,125
Appropriations	(989,866)	(370,289)	(1,360,155)
Endowment net assets, end of year	$ 14,587,642	$ 5,707,203	$ 20,294,845

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, 2025.

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.

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 2025, 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, 2025, the remaining gift annuity balance was $11,866.

9. Line of Credit

On May 14, 2025, the Society entered into a line of credit agreement with a bank providing for borrowings up to $500,000 with interest equal to the daily Secured Overnight Financing Rate (SOFR) plus 1.25% (5.12% at December 31, 2025). The line of credit is due on demand and is secured by certain investments of the Society held in marketable securities by the financial institution. There were no borrowings against the line as of December 31, 2025.

10. Net Assets

Net Assets without Donor Restrictions:	
Undesignated	$ 1,303,117
Invested in property and equipment, net	2,963,620
Invested in wildlife refuges	15,174,717
Board-designated endowment	14,587,642
Total net assets without donor restrictions	$ 34,029,096
Net Assets with Donor Restrictions:	
Subject to expenditure for specified purpose:	
Advocacy	$ 5,546
Blackstone project	10,000
Camp scholarships	4,745
Caratunk	72,206
Conservation project	41,730
Educational exhibit development	55,594
Fisherville initiative	9,770
Land acquisitions	249,943
Net Zero initiative	579,582
Ornithologist fund	31,620
Palmeri Pollinator Fund	129,215
Personnel expenses	4,157
Racquet Road	14,571
Stormwater innovation	35,000
Terracorps	12,975
Urban environmental education	13,329
Youth Conservation League	75,946
Total subject to expenditure for specified purpose	1,345,929
Subject to spending policy and appropriations:	
Animal care	32,239
Education	780,808
General operations	123,554
Land conservation and stewardship	1,764,429
Total subject to spending policy and appropriations	2,701,030

Subject to restriction in perpetuity:	
Animal care	35,883
Education	869,023
General operations	137,507
Land conservation and stewardship	1,963,760
Total subject to restriction in perpetuity	3,006,173
Total net assets with donor restrictions	$ 7,053,132

11. Rental Income

Rental income includes amounts relating to space leased on a month-to-month basis and an office space lease expiring in 2028. During the year ended December 31, 2025, the Society recorded rental income from these leases of approximately $55,200, 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:

Year Ending	
December 31, 2026	$ 47,611
December 31, 2027	41,282
December 31, 2028	35,116
Total	$ 124,009

12. 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 $2,927 for the year ended December 31, 2025.

13. 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.

At December 31, 2025, future minimum lease payments are as follows:

Year Ending	
December 31, 2026	$ 2,200
December 31, 2027	1,000
December 31, 2028	200
Total	$ 3,400

14. 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, 2025 totaled $32,912.

15. 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 FDIC insurance. At year-end, the uninsured portion of cash and cash equivalents was approximately $679,000. 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.

At December 31, 2025, 76% of the accounts and grants receivable balance was due from two donors. Management has performed an analysis of those receivables and does not believe that significant credit risk exists.