



AMERICAN BIRD CONSERVANCY

Financial Statements
With Independent Auditor's Report

December 31, 2024 and 2023

AMERICAN BIRD CONSERVANCY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
American Bird Conservancy
The Plains, Virginia

Opinion

We have audited the accompanying financial statements of American Bird Conservancy, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 American Bird Conservancy, as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Correction of Material Misstatements

As discussed in Note 11 to the financial statements, the 2023 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 American Bird Conservancy's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
American Bird Conservancy
The Plains, Virginia

Auditor's 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 auditor's 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 American Bird Conservancy'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 American Bird Conservancy'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.

Capin Crouse LLC

Indianapolis, Indiana
September 26, 2025

AMERICAN BIRD CONSERVANCY

Statements of Financial Position

	December 31,	
	2024	2023 (as restated)
ASSETS:		
Cash and cash equivalents	\$ 3,080,064	\$ 5,211,540
Contributions receivable, net	447,580	1,686,723
Grants receivable, net	7,403,447	4,375,699
Prepaid expenses and other assets	312,472	368,370
Investments	10,961,427	11,441,030
Operating right-of-use asset	172,859	213,984
Property and equipment, net	217,230	57,475
Total Assets	\$ 22,595,079	\$ 23,354,821
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 1,436,950	\$ 674,356
Accrued expenses	983,298	973,522
Operating lease liability	181,017	238,074
Total liabilities	2,601,265	1,885,952
Net assets:		
Without donor restrictions	13,018,894	14,902,265
With donor restrictions	6,974,920	6,566,604
Total net assets	19,993,814	21,468,869
Total Liabilities and Net Assets	\$ 22,595,079	\$ 23,354,821

See notes to financial statements

AMERICAN BIRD CONSERVANCY

Statements of Activities

	Year Ended December 31,					
	2024			2023 (as restated)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:						
Contributions	\$ 8,769,986	\$ 5,228,326	\$ 13,998,312	\$ 10,407,809	\$ 7,240,426	\$ 17,648,235
Grants	10,978,065	659,257	11,637,322	8,751,660	857,410	9,609,070
Investment returns, net	1,576,774	-	1,576,774	1,900,375	84,926	1,985,301
Program service fees	553,000	-	553,000	386,311	-	386,311
Other income	166,409	-	166,409	144,870	-	144,870
Total Support and Revenue	22,044,234	5,887,583	27,931,817	21,591,025	8,182,762	29,773,787
RECLASSIFICATIONS:						
Net assets released by satisfaction of purpose restrictions	5,479,267	(5,479,267)	-	6,687,627	(6,687,627)	-
EXPENSES:						
Program services:						
Bird conservation projects	18,829,814	-	18,829,814	16,636,965	-	16,636,965
Education and outreach	3,386,045	-	3,386,045	2,280,474	-	2,280,474
	22,215,859	-	22,215,859	18,917,439	-	18,917,439
Supporting activities:						
Management and general	4,789,068	-	4,789,068	4,470,329	-	4,470,329
Fundraising	2,401,945	-	2,401,945	1,914,928	-	1,914,928
	7,191,013	-	7,191,013	6,385,257	-	6,385,257
Total Expenses	29,406,872	-	29,406,872	25,302,696	-	25,302,696
Change in Net Assets	(1,883,371)	408,316	(1,475,055)	2,975,956	1,495,135	4,471,091
Net Assets, Beginning of Year	14,902,265	6,566,604	21,468,869	11,417,125	5,580,653	16,997,778
Prior period adjustment (Note 11)	-	-	-	509,184	(509,184)	-
Net Assets, Beginning of Year (as restated)	14,902,265	6,566,604	21,468,869	11,926,309	5,071,469	16,997,778
Net Assets, End of Year	\$ 13,018,894	\$ 6,974,920	\$ 19,993,814	\$ 14,902,265	\$ 6,566,604	\$ 21,468,869

See notes to financial statements

AMERICAN BIRD CONSERVANCY

Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services			Supporting Services			
	Bird Conservation Projects	Education and Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries, benefits, and payroll	\$ 8,840,507	\$ 2,125,297	\$ 10,965,804	\$ 2,317,586	\$ 1,809,184	\$ 4,126,770	\$ 15,092,574
Grants	7,602,222	10,000	7,612,222	-	-	-	7,612,222
Professional fees	452,317	74,623	526,940	501,952	45,150	547,102	1,074,042
Publications, communications, and advertising	129,882	981,743	1,111,625	87,680	453,257	540,937	1,652,562
Travel	820,336	90,720	911,056	171,289	40,905	212,194	1,123,250
Information technology and telecommunications	56,791	75,642	132,433	559,300	4,179	563,479	695,912
Occupancy	143,886	2,385	146,271	194,797	957	195,754	342,025
Conference and meeting	84,613	17,405	102,018	341,645	4,432	346,077	448,095
Other	699,260	8,230	707,490	614,819	43,881	658,700	1,366,190
	<u>\$ 18,829,814</u>	<u>\$ 3,386,045</u>	<u>\$ 22,215,859</u>	<u>\$ 4,789,068</u>	<u>\$ 2,401,945</u>	<u>\$ 7,191,013</u>	<u>\$ 29,406,872</u>

See notes to financial statements

AMERICAN BIRD CONSERVANCY

Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services			Supporting Services			
	Bird Conservation Projects	Education and Outreach	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries, benefits, and payroll	\$ 8,526,171	\$ 1,516,492	\$ 10,042,663	\$ 2,494,026	\$ 1,308,078	\$ 3,802,104	\$ 13,844,767
Grants	5,545,558	-	5,545,558	-	-	-	5,545,558
Professional fees	1,289,631	229,014	1,518,645	99,606	156,655	256,261	1,774,906
Publications, communications, and advertising	34,271	384,596	418,867	432,118	183,918	616,036	1,034,903
Travel	548,326	33,088	581,414	164,136	70,969	235,105	816,519
Information technology and telecommunications	56,516	21,542	78,058	294,608	704	295,312	373,370
Occupancy	50,451	-	50,451	154,407	-	154,407	204,858
Conference and meeting	108,072	4,340	112,412	38,079	9,929	48,008	160,420
Other	477,969	91,402	569,371	793,349	184,675	978,024	1,547,395
	<u>\$ 16,636,965</u>	<u>\$ 2,280,474</u>	<u>\$ 18,917,439</u>	<u>\$ 4,470,329</u>	<u>\$ 1,914,928</u>	<u>\$ 6,385,257</u>	<u>\$ 25,302,696</u>

See notes to financial statements

AMERICAN BIRD CONSERVANCY

Statements of Cash Flows

	Year Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,475,055)	\$ 4,471,091
Adjustments to reconcile change in net assets to net cash provided in (used by) operating activities:		
Depreciation and amortization	19,859	7,064
Unrealized gains on investments	(1,028,019)	(1,911,720)
Realized (gains) losses on sales of investments	(334,814)	137,018
Change in discount and allowance for uncollectable accounts on contributions and grants receivable	(17,031)	-
Non-cash lease expense	(15,932)	(10,138)
Changes in:		
Prepaid expenses and other assets	55,898	(302,937)
Contributions receivable, net	1,250,000	(1,686,723)
Grants receivable, net	(3,021,574)	(863,193)
Accounts payable	762,594	(312,038)
Accrued expenses	9,776	351,383
Net Cash Used in Operating Activities	<u>(3,794,298)</u>	<u>(120,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(179,614)	(36,283)
Proceeds from sale of investments	9,746,680	3,816,180
Purchases of investments	<u>(7,904,244)</u>	<u>(2,372,555)</u>
Net Cash Provided by Investing Activities	<u>1,662,822</u>	<u>1,407,342</u>
Change in Cash and Cash Equivalents	(2,131,476)	1,287,149
Cash and Cash Equivalents, Beginning of Year	<u>5,211,540</u>	<u>3,924,391</u>
Cash and Cash Equivalents, End of Year	<u>\$ 3,080,064</u>	<u>\$ 5,211,540</u>
SUPPLEMENTAL DISCLOSURE:		
Property acquired through operating lease	<u>\$ 114,601</u>	<u>\$ 85,984</u>

See notes to financial statements

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

1. NATURE OF ORGANIZATION:

The American Bird Conservancy (ABC) is a not-for-profit membership organization dedicated to the protection of wild birds and their habitats throughout the Americas. ABC achieves this through education, outreach, and a variety of conservation projects. These initiatives aim to prevent bird extinctions, reverse population declines, reduce threats to all bird species, and strengthen the bird conservation movement.

ABC is exempt from federal income taxes under Internal Revenue Service Code (Code) Section 501(c)(3) and is also exempt from state income taxes. Contributions to ABC are deductible for federal income tax purposes. Accordingly, no provision for income taxes has been made in the accompanying financial statements. ABC is not a private foundation. ABC's primary sources of revenue are contributions and grants.

2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the statements to the reader. 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; 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. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, ABC considers all cash and investments purchased with maturities of three months or less to be cash and cash equivalents. At December 31, 2024 and 2023, ABC had cash and cash equivalents exceeding FDIC limits of approximately \$2,786,000 and \$4,282,000, respectively.

CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable consists of unconditional promises to give and are recorded at net realizable value. Amounts expected to be collected beyond one year are discounted to present value using a discount rate of 4.5%. Management believes that contributions receivable are fully collectable and therefore, no allowance for doubtful accounts has been recognized. Contributions receivable consists of the following:

	December 31,	
	2024	2023
Amounts due in:		
Less than one year	\$ 250,000	\$ 1,250,000
One to five years	250,000	500,000
Less: unamortized discount	(52,420)	(63,277)
	<u>\$ 447,580</u>	<u>\$ 1,686,723</u>

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

GRANTS RECEIVABLE, NET

Grants receivable represents amounts due from funding organizations for reimbursable expenses incurred in accordance with the grant agreements. The allowance for doubtful accounts is determined based upon an annual review of account balances, including the age of the balance and the historical experience with the donor. At December 31, 2024 and 2023, the allowance for doubtful accounts for grants receivable was approximately \$12,000 and \$18,000, respectively. Grant receivables are expected to be collected within one year.

INVESTMENTS

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses, dividends and interest, net of investment expenses provided by external investment advisors, are included in investment returns in the statements of activities. Donated investments are sold immediately upon receipt, and are reflected as contributions at their sale price.

OPERATING LEASE RIGHT-OF-USE ASSETS AND LIABILITIES

ABC classifies noncancelable, multi-year leasing arrangements as operating leases according to the guidance prescribed in FASB ASC Topic 842. ABC has also elected to not separate lease and non-lease components and the accounting policy election to exclude short-term leases with lease terms of 12 months or less. The additional lease disclosures can be found in Note 4.

PROPERTY AND EQUIPMENT, NET

Furniture and equipment in excess of \$3,000 are capitalized and stated at cost. Furniture and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred.

LONG-LIVED ASSET IMPAIRMENT

In accordance with GAAP, ABC reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. For the years ending December 31, 2024 and 2023, there were no impairment losses recognized.

NET ASSETS

Net assets without donor restrictions are those currently available at the discretion of the board for use in ABC's operations. Assets designated solely through the actions of the Board are referred to as board designated and are also reported as net assets without donor restrictions.

Net assets with donor restrictions are those stipulated by donors or grantors for specific operating purposes or those not currently available for use until commitments regarding their use have been fulfilled. These also include donor imposed restrictions that are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT, REVENUE, AND RECLASSIFICATIONS

Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to ABC. ABC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Bequests are recorded as support at the time ABC has an established right to the bequest and the proceeds are measurable.

Grant revenue is recognized as earned when the barriers to recognition are met and eligible expenses are incurred. ABC has elected the simultaneous release option for conditional grants so that when the conditions are met, any donor-imposed restrictions are simultaneously released, thereby allowing presentation within grant revenue without donor restrictions on the statements of activities.

Program services fees are recognized when the performance obligations are satisfied, which is over the time the services are provided. There were no contract receivables or liabilities as of December 31, 2024 and 2023.

Investment income, net of related fees, is recognized as revenue in the period when earned and reported in investment returns on the statements of activities. Other income is recognized when earned.

EXPENSES AND FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported when incurred. The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on the allocation of personnel time and effort, square footage and various other allocation methods relative to the nature of the transaction. Expenses directly attributed to a specific functional area of ABC are reported as direct expenses to the programmatic area.

CONCENTRATION OF SUPPORT AND REVENUE

Approximately 32% and 23% of ABC's total revenues were derived from federal grants for the years ended December 31, 2024 and 2023, respectively.

RECLASSIFICATIONS

Certain prior year balances have been reclassified to conform with current year presentation. On the December 31, 2023, statement of functional expenses, \$62,340 of fundraising expenses were reclassified from professional fees to publications, communications, and advertising. Also, on the December 31, 2023, statement of functional expenses, \$424,058 of management and general expenses were reclassified from professional fees to other expenses. On the December 31, 2023, statement of financial position, \$42,060 was reclassified from deferred revenue to accrued expenses.

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

3. LIQUIDITY AND FUNDS AVAILABLE:

The following reflects ABC's financial assets as of December 31 of each year, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date:

	December 31,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 3,080,064	\$ 5,211,540
Contributions receivable, net	447,580	1,686,723
Grants receivable, net	7,403,447	4,375,699
Investments	10,961,427	11,441,030
Financial assets, at year end	<u>21,892,518</u>	<u>22,714,992</u>
Less those unavailable for general expenditures within one year, due to:		
Board designated funds	(11,131,677)	(12,581,297)
Funds subject to donor-imposed purpose or time restrictions	<u>(6,974,920)</u>	<u>(6,566,604)</u>
	<u>(18,106,597)</u>	<u>(19,147,901)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,785,921</u>	<u>\$ 3,567,091</u>

ABC structures their financial assets to be available and liquid as their general expenditures, liabilities, and other obligations come due. Board designated funds can be drawn upon if the board of directors approves such action.

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

4. OPERATING LEASES UNDER FASB ASC TOPIC 842:

ABC leases office space under four noncancelable operating leases expiring at various dates during 2025 through 2027. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease terms. Monthly payments under these leases total approximately \$12,000, with discount rates ranging from 2.89%-4.48%.

	December 31,	
	2024	2023
Operating lease right-of-use assets	\$ 172,859	\$ 213,984
Operating lease liability	\$ 181,017	\$ 238,074
Operating lease costs	\$ 170,069	\$ 132,943
Weighted-average discount rate	3.66%	3.26%
Weighted-average remaining lease term (in years)	1.10	1.66

Future minimum lease payments required under operating leases that have an initial or remaining non-cancellable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>		
2025		\$ 157,959
2026		25,200
2027		2,100
		<u>185,259</u>
Less: imputed interest		<u>(4,242)</u>
		<u>\$ 181,017</u>

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

5. INVESTMENTS:

ABC's investments consist of the following:

	December 31,	
	2024	2023
Held at fair value:		
Mutual funds		
Money market funds	\$ 424,975	\$ 121,621
Equity	8,187,026	8,769,974
Fixed income	2,349,426	2,549,435
	<u>\$ 10,961,427</u>	<u>\$ 11,441,030</u>

Investment returns, net, consists of the following:

	Year Ended December 31,	
	2024	2023
Interest and dividends	\$ 273,267	\$ 269,801
Unrealized gain on investments	1,028,019	1,911,720
Realized gain (loss) on sale of investments	334,814	(137,018)
Investment expenses	(59,326)	(59,202)
	<u>\$ 1,576,774</u>	<u>\$ 1,985,301</u>

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

6. DISCLOSURES ABOUT FAIR VALUE OF ASSETS:

The *Fair Value Measurement and Disclosure* Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 consists of unobservable inputs supported by little or no market activity and that are significant to the fair value of the assets or liabilities. ABC uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, ABC measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available.

The following table presents the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall:

		December 31, 2024			
		Total	Level 1	Level 2	Level 3
Investments, at fair value:					
Mutual funds:					
Money market funds	\$	424,975	\$	424,975	\$ -
Equity		8,187,026		8,187,026	-
Fixed income		2,349,426		2,349,426	-
	\$	<u>10,961,427</u>	\$	<u>10,961,427</u>	\$ -
Investments, at fair value:					
Mutual funds:					
Money market funds	\$	121,621	\$	121,621	\$ -
Equity		8,769,974		8,769,974	-
Fixed income		2,549,435		2,549,435	-
	\$	<u>11,441,030</u>	\$	<u>11,441,030</u>	\$ -

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

Mutual funds: valued using quoted market prices in active markets.

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

7. NET ASSETS:

Net assets are classified according to their nature and purpose and consist of the following:

	December 31,	
	2024	2023
Without donor restrictions:		
Undesignated	\$ 1,887,217	\$ 2,047,663
Board designated:		
William Belton grant fund	397,105	406,211
Bird Conservation board endowment	10,734,572	11,994,235
Operating reserve	-	454,156
	<u>11,131,677</u>	<u>12,854,602</u>
Total without donor restrictions	<u>13,018,894</u>	<u>14,902,265</u>
With donor restrictions:		
Subject to expenditure for specified purpose or time:		
Bird Conservation projects - time and purpose	447,580	1,686,723
Bird Conservation projects - purpose	<u>6,527,340</u>	<u>4,879,881</u>
Total with donor restrictions	<u>6,974,920</u>	<u>6,566,604</u>
Total net assets	<u>\$ 19,993,814</u>	<u>\$ 21,468,869</u>

8. ENDOWMENT FUNDS:

ABC's endowments consist of funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the State Prudent Management of Institutional Funds Act (SPMIFA).

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

8. ENDOWMENT FUNDS, continued:

Changes in endowment net assets are as follows:

	Year Ended December 31,	
	2024	2023
Endowment net assets, beginning of year	\$ 11,994,235	\$ 9,955,165
Investment return	1,364,878	1,689,774
Transfers in	358,664	1,091,058
Appropriation for expenditure	(2,983,205)	(741,762)
	<u>(1,259,663)</u>	<u>2,039,070</u>
Endowment net assets, end of year	<u>\$ 10,734,572</u>	<u>\$ 11,994,235</u>

RETURN OBJECTIVES AND RISK PARAMETERS

ABC has adopted investment and spending policies for endowment assets designed to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the endowment assets are invested in conservative instruments.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVE

To satisfy its long-term rate-of-return objectives, ABC 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). ABC targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

ABC has a policy of appropriating 100% of the endowment returns toward the purpose as stated in the original award.

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

9. RETIREMENT PLAN:

ABC provides retirement benefits to its employees through a 403(b) Plan covering all full-time employees with one-year of eligible experience. ABC is not required to make contributions to the Plan. During the years ended December 31, 2024 and 2023, ABC contributed \$179,513 and \$168,208 to the Plan, respectively.

10. CONTINGENCY:

ABC receives grants from various agencies of the U.S. Government. For the years ended December 31, 2024 and 2023, such grants were subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

The ultimate determination of amounts received under the U.S. Government grants is based upon the allowance of costs reported to and accepted by the U.S. Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2024. Until such audits have been accepted by the U.S. Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

AMERICAN BIRD CONSERVANCY

Notes to Financial Statements

December 31, 2024 and 2023 (as restated)

11. CORRECTION OF MATERIAL MISSTATEMENTS:

The previously issued financial statements for the year ended December 31, 2023, included misstatements in the balance of net assets with and without donor restrictions. The misstatements resulted from multiple factors: (1) prior year net assets released by satisfaction of purpose restrictions were understated, (2) a donor formally released its net asset restriction in a previous period, but the release was never recorded in ABC's financial records, and (3) net asset audit schedules were inaccurate and not reconciled to internal reporting related to grants that were reported as net assets without donor restrictions rather than net assets with donor restrictions. These misstatements occurred during prior years. Accordingly, adjustments have been recorded to correct the misstatements. The effects of these adjustments on 2023 opening net assets, change in net assets, and 2023 ending balances were as follows:

	As Previously Stated	Restatement	As Restated
January 1, 2023:			
Statement of activities:			
Net assets:			
Without donor restrictions	11,417,125	509,184	11,926,309
With donor restrictions	5,580,653	(509,184)	5,071,469
December 31, 2023:			
Statement of financial position:			
Net assets:			
Without donor restrictions	13,785,109	1,117,156	14,902,265
With donor restrictions	7,683,760	(1,117,156)	6,566,604
Year ended December 31, 2023:			
Statement of activities:			
Net assets released by satisfaction of purpose restrictions (without donor restrictions)	6,079,655	607,972	6,687,627
Net assets released by satisfaction of purpose restrictions (with donor restrictions)	(6,079,655)	(607,972)	(6,687,627)
Change in net assets:			
Without donor restrictions	2,367,984	607,972	2,975,956
With donor restrictions	2,103,107	(607,972)	1,495,135

12. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 26, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.