

NEW YORK ACADEMY OF SCIENCES

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

NEW YORK ACADEMY OF SCIENCES

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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of
New York Academy of Sciences

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of New York Academy of Sciences and its wholly controlled entities (collectively, the "Academy"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New York Academy of Sciences as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for each of 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 ("GAAS"). 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 Academy 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.

Responsibilities of Management for the Financial Statements

The Academy's 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 the Academy'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 GAAS 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 GAAS, 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 Academy'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 Academy'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.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
February 24, 2025



NEW YORK ACADEMY OF SCIENCES

Consolidated Statements of Financial Position

	June 30,	
	2024	2023
ASSETS		
Cash (including restricted cash of \$259,575 in both 2024 and 2023, respectively)	\$ 6,937,237	\$ 4,046,825
Receivables:		
Contributions receivable, net	3,517,674	8,764,521
Other receivables	110,088	16,200
Investments	152,586	131,362
Prepaid expenses and other assets	843,511	792,862
Property and equipment, net	1,011,297	824,500
Website and software costs, net	251,272	53,122
Right-of-use asset - operating leases	11,386,481	11,978,561
	<u>\$ 24,210,146</u>	<u>\$ 26,607,953</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,426,613	\$ 2,494,751
Deferred membership fees and conference registration fees	265,569	302,290
Deferred publishing fee	-	100,000
Lease liability	12,068,301	12,146,421
Total liabilities	<u>14,760,483</u>	<u>15,043,462</u>
Commitments and contingency (see Note I)		
Net assets:		
Without donor restrictions	3,613,559	3,993,733
With donor restrictions:		
Purpose restrictions	5,026,422	6,561,076
Time restricted for future periods	400,000	600,000
Perpetual in nature	409,682	409,682
Total net assets with donor restrictions	<u>5,836,104</u>	<u>7,570,758</u>
Total net assets	<u>9,449,663</u>	<u>11,564,491</u>
	<u>\$ 24,210,146</u>	<u>\$ 26,607,953</u>

NEW YORK ACADEMY OF SCIENCES

Consolidated Statements of Activities

	Year Ended June 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating support and revenue:						
Contributions	\$ 7,524,596	\$ 10,738,279	\$ 18,262,875	\$ 8,932,029	\$ 10,079,905	\$ 19,011,934
Special events (net of direct benefits to donors of \$120,165 in fiscal-year 2023)	-	-	-	356,855	-	356,855
Membership fees	390,262	-	390,262	425,355	-	425,355
Publication sales	1,874,771	-	1,874,771	2,058,728	-	2,058,728
Registration and meeting fees	271,646	-	271,646	271,626	-	271,626
Interest and dividends	790	-	790	2,725	-	2,725
In-kind donations - use of space	-	-	-	197,025	-	197,025
Other revenue	233,965	-	233,965	7,144	-	7,144
Total operating support and revenue before net assets released from restrictions	10,296,030	10,738,279	21,034,309	12,251,487	10,079,905	22,331,392
Net assets released from restrictions	12,472,933	(12,472,933)	-	11,059,983	(11,059,983)	-
Total operating support and revenue	22,768,963	(1,734,654)	21,034,309	23,311,470	(980,078)	22,331,392
Operating expenses:						
Program services:						
Membership maintenance	356,968	-	356,968	345,216	-	345,216
Publications	1,366,631	-	1,366,631	1,165,687	-	1,165,687
Conferences, education and other	16,289,454	-	16,289,454	16,996,509	-	16,996,509
Total program services	18,013,053	-	18,013,053	18,507,412	-	18,507,412
Supporting services:						
Fund-raising	2,205,887	-	2,205,887	1,837,586	-	1,837,586
General and administrative	2,946,196	-	2,946,196	2,729,989	-	2,729,989
Total supporting services	5,152,083	-	5,152,083	4,567,575	-	4,567,575
Total operating expenses	23,165,136	-	23,165,136	23,074,987	-	23,074,987
Change in net assets before lease exit activities, gain on loan forgiveness, and unrealized gains (losses) on investments	(396,173)	(1,734,654)	(2,130,827)	236,483	(980,078)	(743,595)
Change in lease liability from lease modification	-	-	-	261,846	-	261,846
Gain on Paycheck Protection Program loan forgiveness	-	-	-	1,787,767	-	1,787,767
Unrealized gains (losses) on investments	15,999	-	15,999	(42,885)	-	(42,885)
Change in net assets	(380,174)	(1,734,654)	(2,114,828)	2,243,211	(980,078)	1,263,133
Net assets, beginning of year	3,993,733	7,570,758	11,564,491	1,750,522	8,550,836	10,301,358
Net assets, end of year	\$ 3,613,559	\$ 5,836,104	\$ 9,449,663	\$ 3,993,733	\$ 7,570,758	\$ 11,564,491

See notes to consolidated financial statements.

NEW YORK ACADEMY OF SCIENCES

Consolidated Statement of Functional Expenses Year Ended June 30, 2024 (with summarized financial information for 2023)

	Program Services				Supporting Services			Totals	
	Membership Maintenance	Publications	Conferences, Education and Other	Total Program Services	Fund-Raising	General and Administrative	Total Supporting Services	2024	2023
Salaries and wages	\$ 178,897	\$ 763,588	\$ 4,158,062	\$ 5,100,547	\$ 1,039,330	\$ 1,594,639	\$ 2,633,969	\$ 7,734,516	\$ 7,106,296
Payroll taxes and employee benefits	37,504	165,346	880,015	1,082,865	223,713	262,948	486,661	1,569,526	1,374,970
Rent	22,190	94,590	504,450	621,230	128,628	190,402	319,030	940,260	167,860
In-kind donations - use of space	-	-	-	-	-	-	-	-	197,024
Professional fees	74,983	212,584	6,195,910	6,483,477	149,568	512,031	661,599	7,145,076	8,474,199
Depreciation and amortization	5,255	22,401	119,464	147,120	30,461	45,091	75,552	222,672	61,598
Food and reception	565	391	534,840	535,796	9,898	26,433	36,331	572,127	793,154
Travel	1,142	2,191	543,008	546,341	1,952	49,433	51,385	597,726	847,869
Office	5,571	18,524	252,819	276,914	27,956	102,485	130,441	407,355	395,920
Utilities and cleaning	1,195	3,482	25,642	30,319	8,240	7,389	15,629	45,948	268
Equipment rental and maintenance	8,113	34,585	386,566	429,264	47,444	75,404	122,848	552,112	745,395
Subscriptions and publications	406	34,542	104,064	139,012	3,239	5,926	9,165	148,177	159,386
Prizes and awards	-	-	2,514,719	2,514,719	-	-	-	2,514,719	2,390,268
Printing	9,106	1,629	6,828	17,563	730	1,868	2,598	20,161	20,462
Insurance	1,958	8,348	44,517	54,823	11,351	16,803	28,154	82,977	103,300
Meetings and dues	380	980	2,086	3,446	498	7,286	7,784	11,230	5,856
Education and training	-	-	118	118	1,106	34,782	35,888	36,006	6,333
Miscellaneous	-	3,450	15,953	19,403	891	1,879	2,770	22,173	68,366
Bad debt expense	-	-	-	-	517,662	-	517,662	517,662	241,439
Interest and credit card fees	9,703	-	393	10,096	3,220	11,397	14,617	24,713	35,189
Total expenses	356,968	1,366,631	16,289,454	18,013,053	2,205,887	2,946,196	5,152,083	23,165,136	23,195,152
Less: direct benefits to donors	-	-	-	-	-	-	-	-	(120,165)
Total expenses per consolidated statements of activities	\$ 356,968	\$ 1,366,631	\$ 16,289,454	\$ 18,013,053	\$ 2,205,887	\$ 2,946,196	\$ 5,152,083	\$ 23,165,136	\$ 23,074,987

See notes to consolidated financial statements.

NEW YORK ACADEMY OF SCIENCES

Consolidated Statement of Functional Expenses Year Ended June 30, 2023

	Program Services				Supporting Services			Total Expenses
	Membership Maintenance	Publications	Conferences, Education and Other	Total Program Services	Fund-Raising	General and Administrative	Total Supporting Services	
Salaries and wages	\$ 126,579	\$ 661,292	\$ 4,075,377	\$ 4,863,248	\$ 919,159	\$ 1,323,889	\$ 2,243,048	\$ 7,106,296
Payroll taxes and employee benefits	25,348	134,962	791,775	952,085	181,345	241,540	422,885	1,374,970
Rent	2,988	15,628	96,268	114,884	21,704	31,272	52,976	167,860
In-kind donations - use of space	3,507	18,343	112,994	134,844	25,475	36,705	62,180	197,024
Professional fees	142,988	193,239	7,194,619	7,530,846	200,465	742,888	943,353	8,474,199
Depreciation and amortization	1,097	5,735	35,315	42,147	7,965	11,486	19,451	61,598
Food and reception	5,250	78	652,927	658,255	123,804	11,095	134,899	793,154
Travel	-	137	810,926	811,063	8,761	28,045	36,806	847,869
Office	4,833	13,552	210,755	229,140	30,004	136,776	166,780	395,920
Utilities and cleaning	-	-	-	-	-	268	268	268
Equipment rental and maintenance	10,130	52,986	435,521	498,637	135,305	111,453	246,758	745,395
Subscriptions and publications	1,949	54,265	96,504	152,718	4,986	1,682	6,668	159,386
Prizes and awards	-	-	2,390,268	2,390,268	-	-	-	2,390,268
Printing	10,306	-	5,081	15,387	3,332	1,743	5,075	20,462
Insurance	1,838	9,617	59,224	70,679	13,357	19,264	32,621	103,300
Meetings and dues	-	2,142	1,534	3,676	-	2,180	2,180	5,856
Education and training	-	-	480	480	582	5,271	5,853	6,333
Miscellaneous	-	3,697	19,810	23,507	34,215	10,644	44,859	68,366
Bad debt expense	-	-	-	-	241,439	-	241,439	241,439
Interest and credit card fees	8,403	14	7,131	15,548	5,853	13,788	19,641	35,189
Total expenses	345,216	1,165,687	16,996,509	18,507,412	1,957,751	2,729,989	4,687,740	23,195,152
Less: direct benefits to donors	-	-	-	-	(120,165)	-	(120,165)	(120,165)
Total expenses per consolidated statements of activities	\$ 345,216	\$ 1,165,687	\$ 16,996,509	\$ 18,507,412	\$ 1,837,586	\$ 2,729,989	\$ 4,567,575	\$ 23,074,987

See notes to consolidated financial statements.

NEW YORK ACADEMY OF SCIENCES

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ (2,114,827)	\$ 1,263,133
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	222,672	61,598
Unrealized (gains) losses on investments	(15,999)	42,885
Donated securities	(5,225)	(24,974)
Gain on Paycheck Protection Program loan forgiveness	-	(1,787,767)
Bad debt expense	517,662	241,439
Change in lease liability from lease modification	-	(261,846)
Right-of-use asset lease amortization	592,080	1,089,489
Changes in:		
Contributions receivable	4,729,185	(3,430,661)
Other receivables	(93,888)	19,069
Prepaid expenses and other assets	(50,649)	81,457
Accounts payable and accrued expenses	(75,776)	467,305
Deferred membership fees and conference registration fees	(36,721)	(37,862)
Deferred publishing fee	(100,000)	(100,000)
Lease liability	(78,121)	(921,629)
Net cash provided by (used in) operating activities	<u>3,490,393</u>	<u>(3,298,364)</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(599,981)</u>	<u>(701,455)</u>
Net cash used in investing activities	<u>(599,981)</u>	<u>(701,455)</u>
Change in cash and restricted cash	2,890,412	(3,999,819)
Cash and restricted cash, beginning of year	<u>4,046,825</u>	<u>8,046,644</u>
Cash and restricted cash, end of year	<u><u>\$ 6,937,237</u></u>	<u><u>\$ 4,046,825</u></u>
Supplemental disclosure of cash flow information:		
In-kind donations - use of space	\$ -	\$ 197,024
Capital expenditures included in accounts payable and accrued expenses	<u><u>\$ 7,638</u></u>	<u><u>\$ 174,344</u></u>

See notes to consolidated financial statements.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

The New York Academy of Sciences ("NYAS") was incorporated in New York in 1817 to hold conferences and lectures in interdisciplinary fields of science and technology and to disseminate information in print and online.

NYAS has three wholly controlled enterprises, the American Institute of the City of New York (the "Institute"), the New York Academy of Sciences U.K. Limited ("NYAS UK") and the Global Stem Alliance, LLC (the "Company"), formerly known as STEM Learning Solutions, LLC. The Institute is largely inactive. NYAS UK, located in London, was formed in fiscal year 2009 as the result of a substantial bequest from a foreign donor that would permit NYAS to expand its international presence. The Company was formed in fiscal year 2016 as a disregarded entity, to be operated exclusively for charitable, religious, educational, and scientific purposes. Accordingly, the consolidated financial statements include the financial position, results of operations and cash flows of NYAS, the Institute, NYAS UK, and the Company, (collectively referred to as the "Academy"). All inter-entity transactions and balances have been eliminated in the consolidation process.

The Academy's organizations are exempt from federal income tax pursuant to Section 501(c)(3) of the U.S. Internal Revenue Code, or its foreign equivalent and from state and local taxes under comparable laws.

[2] Basis of accounting:

The consolidated financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

[3] Cash and restricted cash:

Restricted cash relates to amounts held as part of contractual obligations under a letter of credit of \$259,575, in both fiscal years 2024 and 2023, respectively.

[4] Use of estimates:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires the Academy's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[5] Investments:

The Academy's investments in money market funds and equity securities have been reported at their fair values in the consolidated statements of financial position based on quoted market prices.

The Academy's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted through donor stipulation.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Investments: (continued)

Realized gains and losses on investments are determined by comparison of the cost at the time of acquisition to proceeds received at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Donated securities are recorded at their estimated fair values as determined by the Academy's management on the dates of donation. The Academy's policy is to sell donated securities immediately, and, for purposes of the consolidated statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

[6] Property and equipment:

Property and equipment are stated at their original costs at the dates of acquisition, or, if contributed, at their fair values at the dates of donation, net of accumulated depreciation and amortization. The Academy capitalizes items of property and equipment that have a cost of \$1,000 or more and a useful life greater than one year, whereas minor costs of repairs and maintenance are expensed as incurred. Depreciation is provided using the straight-line method over the assets' estimated useful lives. Furniture and fixtures are depreciated over seven years; equipment is depreciated over five years; and computer equipment is depreciated over three years. Leasehold improvements are amortized over the remaining lease term or the useful lives of the improvements, whichever is shorter.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value the Academy recognizes any impairment in the year of determination. There were no triggering events during fiscal years 2024 or 2023 requiring management to test for impairment that would require any adjustments to property and equipment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[7] Website and software costs:

Website costs related to data consulting services, site configuration and infrastructure, and conceptual design are capitalized. Costs incurred for the purchase of software and upgrades that result in additional functionality are capitalized. Costs relating to operation and content are expensed as incurred. Capitalized costs are amortized over a five-year expected life using the straight-line method. As of June 30, 2024 and 2023, capitalized website and software costs were presented net of accumulated amortization of \$2,257,528 and \$3,192,908, respectively. During fiscal year 2024, the Academy implemented a new organization website in the amount of \$279,190, and accordingly, disposed of the prior organization website in the amount of \$1,016,420.

[8] Leases:

The Academy determines if an arrangement is a lease at inception. For the Academy's operating leases, a right-of-use ("ROU") asset represents the Academy's right to use an underlying asset for the lease term and an operating lease liability represents an obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. Since the Academy's lease agreements do not provide an implicit interest rate, the Academy uses a risk-free rate based on the information available at the commencement date in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs, such as operating costs, are expensed as incurred.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Accrued vacation:

Accrued vacation represents the Academy's obligation for the cost of unused vacation time payable in the event of employee departures. At June 30, 2024 and 2023, the accrued vacation obligation was \$185,003 and \$295,368, respectively, and was reported as part of accounts payable and accrued expenses in the accompanying consolidated statements of financial position.

[10] Paycheck Protection Program loan payable:

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The Paycheck Protection Program ("PPP") established by the CARES Act, implemented by the U.S. Small Business Administration ("SBA"), provided businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. The Academy has elected to record the PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470, *Debt*. During fiscal year 2022, the Academy applied for loan forgiveness and received full loan forgiveness for its second draw PPP loan in the amount of \$1,787,767 during fiscal year 2023. Accordingly, this amount has been recognized as a gain on loan forgiveness in the accompanying consolidated statements of activities.

[11] Net assets:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are therefore available for current operations.

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or a specific period of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and subject to the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors.

When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board of Governors, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities as "net assets released from restrictions." Contributions with donor restrictions, the requirements of which are met in the year of donation, are reported as without donor restrictions.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] Revenue recognition:

(i) *Contributions:*

Contributions to the Academy are recognized as revenue upon the receipt of cash or other assets, or of unconditional pledges. Contributions are recorded as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of the Academy's management or necessary events have taken place. Contributions to be received over periods longer than a single year are discounted to present value, at an interest rate commensurate with the risk involved. Management periodically assesses the collectability of its contributions receivables and provides allowances for anticipated losses, if any, when necessary.

(ii) *In-kind donations:*

The Academy, from time-to-time, receives various forms of gifts-in-kind, which are contributions of nonfinancial assets. These types of contributions are reported at their estimated fair value on the date of receipt and reported as expenses when utilized. Gifts-in-kind are valued based upon estimates of fair value or wholesale values that would be received for selling the goods in their principal marketplace considering their condition and utility for use at the time the goods are contributed by the donor. Contributions of nonfinancial are utilized for program, management, and general, and fundraising purposes. For recognition of donated services, such services must (i) create or enhance non-financial assets, (ii) typically need to be acquired, if not provided by donation, (iii) require a specialized skill, and (iv) be provided by individuals possessing these skills. The Academy received free use of space \$197,025 in 2023 which was valued based on the market in which the office space was provided and utilized.

(iii) *Revenue from contracts with customers:*

The Academy recognizes revenue when, or as, performance obligations are satisfied associated with contracts with customers. Revenue is measured as the amount of consideration the Academy expects to receive in exchange for providing services. The primary sources of revenue from contracts with customers for the Academy are membership fees, publication sales, and registration and meeting fees.

a. *Membership fees:*

Revenue from membership fees is recognized in the year in which membership services are provided. The performance obligation is satisfied throughout the membership period. Members immediately have full access upon payment to a broad array of information, advocacy, and services found nowhere else, including publications and events and networking resources and events. There is no remaining performance obligation required by the Academy upon the member termination date. Revenue received in advance of an applicable membership period is deferred and reported as deferred membership fees and conference registration fees in the consolidated statements of financial position.

b. *Publication sales:*

Publication sales are recognized over the term of the subscription and/or contract. The portion applicable to a subsequent period is reported as deferred publishing fee in the consolidated statements of financial position. In October 2005, the Academy entered into an agreement with an independent publisher, John Wiley & Sons, Inc. ("Wiley"), to jointly publish 28 volumes per year of Annals of the New York Academy of Sciences, beginning in January 2006; the number of annual volumes was increased to 32 in January 2009 and then, by mutual agreement, reduced to 30 volumes in 2013, 28 volumes in 2014 and 2015, and 24 volumes in 2016. The Academy retains full responsibility for acquisition of content and editorial quality.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[12] Revenue recognition: (continued)

(iii) *Revenue from contracts with customers: (continued)*

b. *Publication sales: (continued)*

In June 2014, the Academy renegotiated its contract with Wiley. The Academy is entitled to an annual editorial stipend, initially of \$575,000, with a 3% annual increase over the term of the contract, through fiscal year 2025. In addition, the Academy is entitled to 82.5% of the surplus of revenues over expenditures generated by the Annals each year during the period January 1, 2015 through December 31, 2020, and 83.5% of the surplus of revenues over expenditures generated each year during the period from January 1, 2021 through December 31, 2025. Accordingly, Wiley is required to submit a report of actual revenues and expenditures after December 31st of each year. The Academy also received a one-time signing bonus of \$1,000,000, which is being recognized as revenue over the course of the ten-year term of the agreement. The unrecognized portion of this bonus is reported as a deferred publishing fee in the consolidated statements of financial position at June 30, 2023 and was fully recognized during fiscal year 2024.

c. *Registration and meeting fees:*

Revenue from registrations and meetings is recognized when the related conference or event occurs, and the services are rendered in accordance with the contractual provisions in satisfaction of the performance obligations. There is no remaining performance obligation required of the Academy upon completion of the conference or event. Revenue received in advance of the Academy satisfying the performance obligation is deferred and reported as deferred membership fees and conference registration fees in the consolidated statements of financial position.

[13] Measure of operations:

The Academy includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Change in lease liability from lease modification, gain on lease exit activities, gain on loan forgiveness, and unrealized gains and losses on investments are recognized as a part of non-operating activities.

[14] Advertising:

Advertising, consisting primarily of expenses to promote conferences and publications, is recorded as an expense in the period incurred. Advertising expense during fiscal years 2024 and 2023 was \$145,576 and \$256,729, respectively.

[15] Income taxes:

The Academy is subject to the provisions of the FASB's ASC Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of the Academy's general tax-exempt status, management believes ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Academy's consolidated financial statements.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[16] Adoption of accounting pronouncement:

Effective July 1, 2023 The Academy adopted the FASB's Accounting Standards Update ("ASU") 2016-13, *Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13"), as amended. ASU 2016-13 replaced the "incurred loss" credit losses framework with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology, which requires management's measurement of the allowance for credit losses to be based on a broader range of reasonable and supportable information for lifetime credit loss estimates. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized costs. The Academy adopted ASU 2016-13 using the modified retrospective method for all financial assets measured as amortized cost which consisted of accounts receivable. Results for the year ended June 30, 2023 continue to be reported in accordance with previously applicable U.S. GAAP. The adoption and application of the standard had no material effect on these consolidated financial statements and primarily resulted in enhanced disclosures only.

[17] Subsequent events:

The Academy has evaluated subsequent events through February 24, 2025, the date on which the consolidated financial statements were available to be issued.

NOTE B - RECEIVABLES

[1] Contributions receivable:

At each fiscal year end, contributions receivable were estimated to be due as follows:

	June 30,	
	<u>2024</u>	<u>2023</u>
Less than one year	\$ 3,835,336	\$ 7,567,165
One to five years	<u>200,000</u>	<u>1,484,120</u>
	4,035,336	9,051,285
Reduction of pledges due in excess of one year to present value, ranging from 2.92% through 5.09%	-	(45,325)
Less: allowance for doubtful accounts	<u>(517,662)</u>	<u>(241,439)</u>
	<u>\$ 3,517,674</u>	<u>\$ 8,764,521</u>

[2] Other receivables and allowances for credit losses:

Other receivables consists primarily of reimbursable expenses and other amounts due from unrelated parties for exchange-type transactions. All amounts are due with one year and management expects the receivables to be fully collectible. The estimate for the allowance for expected credit losses is derived from a review of the Academy's historical experience and management's evaluation of outstanding receivables. The estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Academy. Balances that are still outstanding after management has used reasonable collection efforts are written off. Management has determined that an allowance is deemed immaterial as of June 30, 2024 or 2023.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE C - INVESTMENTS

At each fiscal year end, investments consisted of the following:

	June 30,			
	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Money market funds	\$ 18,951	\$ 18,951	\$ -	\$ -
Equity securities	133,635	135,907	131,362	149,633
	<u>\$ 152,586</u>	<u>\$ 154,858</u>	<u>\$ 131,362</u>	<u>\$ 149,633</u>

During each fiscal year, investment income (loss) income consisted of the following:

	June 30,	
	2024	2023
Interest and dividends	\$ 790	\$ 2,725
Unrealized gains (losses) on investments	15,999	(42,885)
	<u>\$ 16,789</u>	<u>\$ (40,160)</u>

The FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical assets at the reporting date.
- Level 2: Valuations are based on: (i) quoted prices for similar assets in active markets; or (ii) quoted prices for those assets, or similar assets, in markets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.
- Level 3: Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the assets; or (ii) the assets cannot be independently valued.

The Academy's investments were valued entirely as Level 1 of the fair-value hierarchy for both fiscal years 2024 and 2023.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE D - PROPERTY AND EQUIPMENT

At each fiscal year end, property and equipment consisted of the following:

	June 30,	
	2024	2023
Leasehold improvements	\$ 1,204,227	\$ 875,799
Computer equipment	394,783	394,783
	<u>1,599,010</u>	<u>1,270,582</u>
Less: accumulated depreciation and amortization	(587,713)	(446,082)
Property and equipment, net	<u>\$ 1,011,297</u>	<u>\$ 824,500</u>

NOTE E - DEFERRED REVENUE

The following table provides information about significant changes in deferred revenue from membership and conference registration fees consisting of the following:

	June 30,	
	2024	2023
Deferred membership and conference registration fees, beginning of year	\$ 302,290	\$ 340,152
Revenue recognized that was included in deferred membership and conference registration fees at the beginning of the year	(138,865)	(259,010)
Increase in deferred membership and conference registration fees due to cash received during the period	<u>102,144</u>	<u>221,148</u>
Deferred membership and conference registration fees	<u>\$ 265,569</u>	<u>\$ 302,290</u>

Other significant contract liabilities consisted of a deferred publishing fee that is recognized ratably over the term of the contract (see Note A[12](iii)(b)).

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE F - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year end, net assets with donor restrictions consisted of the following:

	June 30,	
	2024	2023
Purpose restrictions:		
Conferences	\$ 268,053	\$ 355,284
Special programs	4,378,717	5,826,140
	<u>4,646,770</u>	<u>6,181,424</u>
Restricted for future periods	<u>400,000</u>	<u>600,000</u>
Accumulated endowment income subject to appropriation	<u>379,652</u>	<u>379,652</u>
Perpetual in nature:		
General operating support	359,682	359,682
Special programs	50,000	50,000
	<u>409,682</u>	<u>409,682</u>
	<u>\$ 5,836,104</u>	<u>\$ 7,570,758</u>

During each fiscal year, net assets released from restrictions resulted from satisfying the following donor restrictions:

	June 30,	
	2024	2023
Purpose restrictions satisfied:		
Conferences	\$ 347,231	\$ 1,256,752
Special programs	11,925,702	9,745,231
	<u>12,272,933</u>	<u>11,001,983</u>
Time restrictions satisfied	<u>200,000</u>	<u>58,000</u>
	<u>\$ 12,472,933</u>	<u>\$ 11,059,983</u>

NOTE G - ACCOUNTING AND REPORTING FOR ENDOWMENTS

[1] The endowment:

The Academy's endowment funds consist of 16 donor-restricted funds established for a variety of purposes. As required by U.S. GAAP, net assets associated with the endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

[2] Interpretation of relevant law:

As discussed in Note A[11](ii), NYPMIFA is applicable to the Academy's institutional funds, including its donor-restricted endowment fund.

NEW YORK ACADEMY OF SCIENCES

**Notes to Consolidated Financial Statements
June 30, 2024 and 2023**

NOTE G - ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

[3] Endowment net asset composition by type, at each fiscal year end:

	June 30, 2024		
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	Total
Donor-restricted endowment funds	\$ 379,652	\$ 409,682	\$ 789,334

	June 30, 2023		
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	Total
Donor-restricted endowment funds	\$ 379,652	\$ 409,682	\$ 789,334

Amounts subject to appropriation represent that portion of allocated investment income, derived from endowment assets held in perpetuity, that have not been appropriated by the Board of Governors for expenditure.

[4] Changes in endowment net assets with donor restrictions during each fiscal year:

	June 30, 2024		
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	Total
Endowment funds, beginning of year	\$ 379,652	\$ 409,682	\$ 789,334
Investment returns	-	-	-
Endowment funds, end of year	\$ 379,652	\$ 409,682	\$ 789,334

	June 30, 2023		
	Amounts Subject to Appropriation	Amounts Held in Perpetuity	Total
Endowment funds, beginning of year	\$ 379,652	\$ 409,682	\$ 789,334
Investment returns	-	-	-
Endowment funds, end of year	\$ 379,652	\$ 409,682	\$ 789,334

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE G - ACCOUNTING AND REPORTING FOR ENDOWMENTS (CONTINUED)

[5] Return objectives and risk parameters:

The Academy's Board of Governors overall financial objective for the endowment assets is to provide the operations of the Academy with a relatively stable stream of spendable revenue that increases over time. Endowment assets consist of those assets of donor-restricted funds that the Academy must hold in perpetuity. Investment guidelines include:

- Meeting or exceeding the market index, or blended market index, as selected and agreed-upon by the Academy's Investment Committee, and approved by the Board of Governors; and
- Employing an overall level of risk in the portfolio consistent with the risk associated with the benchmark specified above.

During fiscal year 2020, the Academy's Board of Governors liquidated the majority of its investment portfolio and accordingly, the endowment assets were transferred to the operating cash account until a suitable alternative investment is determined. During fiscal years 2024 and 2023, the endowment corpus and accumulated endowment income remained in cash and, therefore, no investment earnings were allocated during this time period.

[6] Strategies employed for achieving objectives:

Due to market volatility, the Academy's endowment is held in cash. The Academy's Board of Governors is continuously monitoring the market conditions and will invest the endowment when deemed prudent and necessary.

[7] Spending policy:

The endowment is expected to remain whole, with all gains and losses reserved in net assets with donor restrictions until appropriated. The Academy's Board of Governors did not appropriate from the endowment for either fiscal year 2024 or 2023.

[8] Funds with deficiencies:

Due to unfavorable market fluctuations, from time to time, the fair value of assets associated with the individual donor-restricted endowment funds may decline below the historic dollar value of the donor's original, restricted contribution, or the amount required to be maintained under state law, referred to as underwater endowment. Under the terms of NYPMIFA, the Academy has no responsibility to restore such decreases in value. At June 30, 2024 and 2023, there were no deficiencies of this nature.

NOTE H - EMPLOYEE-BENEFIT PLAN

The Academy maintains a defined-contribution retirement plan, established under Section 403(b) of the Internal Revenue Code. Effective January 1, 2017, employees are eligible to participate in the deferral portion of the plan upon employment. An employee who is at least 21 years of age and has attained one year of service must defer at least 3% of pay into the plan as a condition of employment. The Academy contributes 5% of each eligible employee's compensation to the plan. Plan expenses for fiscal years 2024 and 2023 were \$301,187 and \$247,624, respectively.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE I - COMMITMENTS AND CONTINGENCY

[1] Letter of credit:

During the fiscal year 2024, the Academy entered into a letter of credit with a New York financial institution in the amount of \$259,575 in lieu of providing a security deposit to a landlord, which is secured by funds maintained with the same institution in a separate account.

[2] Leases:

During fiscal year 2022, the Academy signed a lease in New York City for office space that expires in April 2039. The aggregate minimum lease payments are currently being amortized using the straight-line method over the term of the lease. The Academy is also obligated for certain equipment under operating leases that expire through January 2025.

Information relating to the "lease costs," which include all costs during the period associated with all operating leases, were \$940,260 and \$167,860 for fiscal years 2024 and 2023, respectively. There were no variable costs included in the total lease costs for fiscal year 2024 or 2023.

The future minimum lease payments required under all operating leases are as follows:

Year Ending June 30,	2024	2023
2024	\$ -	\$ 550,290
2025	794,295	794,295
2026	951,775	951,775
2027	1,038,300	1,038,300
2028	1,038,300	1,038,300
2029	1,048,684	1,048,684
Thereafter	11,237,866	11,237,866
Total minimum lease payments	16,109,220	16,659,510
Less: amount representing interest	(4,040,920)	(4,513,089)
Amount reported on consolidated statements of financial position	<u>\$ 12,068,300</u>	<u>\$ 12,146,421</u>
Weighted average remaining lease term:		
Operating lease	14.8 years	15.8 years
Weighted average discount rate:		
Operating lease	3.4%	3.4%

[3] Government grants:

Government-supported projects are subject to audit in the future by governmental authorities. Accordingly, the Academy could be required to fund any disallowed costs for its own federally or state supported programs that were incurred during the period of the Academy's stewardship. In management's opinion, any such audits would not result in disallowed costs in amounts that would be significant to the Academy's operations. The SBA may audit any PPP loan at its discretion for up to six years after the date the SBA forgave the loan. The SBA reserves the right to audit any PPP loan, regardless of size, and these audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain the PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

NEW YORK ACADEMY OF SCIENCES

Notes to Consolidated Financial Statements June 30, 2024 and 2023

NOTE J - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Academy to concentrations of credit risk consist principally of cash accounts deposited in high-credit-quality financial institutions, the balances of which, from time-to-time, may exceed federal insurance limits. Management monitors the risk associated with the concentration on an ongoing basis. However, management believes that the Academy does not face a significant risk of loss on these accounts due to the failure of these institutions.

NOTE K - CONCENTRATIONS OF REVENUE

Amounts provided by four donors of approximately 70% of contributions receivable represent a concentration of receivables as of June 30, 2024. Amounts provided by two donors of approximately 67% of contributions receivable represent a concentration of receivables as of June 30, 2023. Amounts provided by two donors of approximately 60% of contributions revenue represent a concentration of revenues for the fiscal year ended June 30, 2024. Amounts provided by two donors of approximately 67% of contributions revenue represent a concentration of revenues for the fiscal year ended June 30, 2023.

NOTE L - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Academy's financial assets at each fiscal year end available for general expenditures within one year of the consolidated statements of financial position dates:

	June 30,	
	<u>2024</u>	<u>2023</u>
Cash	\$ 6,937,237	\$ 4,046,825
Contribution receivables, net	3,517,674	8,764,521
Other receivables	110,088	16,200
Investments	<u>152,586</u>	<u>131,362</u>
Total financial assets available within one year	<u>10,717,585</u>	<u>12,958,908</u>
Less:		
Amounts unavailable for general expenditure within one year, due to		
Restricted by donors for:		
Purpose restrictions	(5,026,422)	(6,561,076)
Time-restrictions for future periods	(400,000)	(600,000)
Perpetual in nature	(409,682)	(409,682)
Restricted cash held as part of contractual obligations under a letter of credit	<u>(259,575)</u>	<u>(259,575)</u>
Total amounts unavailable for general expenditure within one year	<u>(6,095,679)</u>	<u>(7,830,333)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,621,906</u>	<u>\$ 5,128,575</u>

Liquidity policy:

The Academy maintains a sufficient level of operating cash and investments to be available for its general expenditures, liabilities, and other obligations as they come due.