BIRDS CONNECT SEATTLE

Financial Statements
June 30, 2024 and 2023

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GREENWOOD OHLUND

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Birds Connect Seattle
Seattle, Washington

Opinion

We have audited the accompanying financial statements of Birds Connect Seattle a nonprofit organization), which comprise the statements of financial position as of June 30, 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 Birds Connect Seattle as of June 30, 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 Birds Connect Seattle 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

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 Birds Connect Seattle's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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.

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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 Birds Connect Seattle'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 Birds Connect Seattle'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.

Greenwood Ohlund

Seattle, Washington
October 14, 2024

BIRDS CONNECT SEATTLE

STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	$ 142,118	$ 164,170
Accounts receivable	3,890	4,283
Grants and contributions receivable	-	850
Inventory	283,427	290,112
Prepaid expenses	14,552	8,446
Total current assets	443,987	467,861
Investments	796,588	946,862
Investments Held for Endowments	2,047,148	1,956,243
Property and Equipment, net	268,790	279,101
Land Held for Conservation	500	500
Total assets	$ 3,557,013	$ 3,650,567
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 28,328	$ 33,082
Accrued payroll, benefits, and taxes	80,116	62,227
Deferred revenue	80,871	188,670
Total liabilities	189,315	283,979
Net Assets		
Without donor restrictions	1,230,311	1,303,116
With donor restrictions	2,137,387	2,063,472
Total net assets	3,367,698	3,366,588
Total liabilities and net assets	$ 3,557,013	$ 3,650,567

See accompanying notes to financial statements.

BIRDS CONNECT SEATTLE

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Grants and contributions	$ 391,346	$ 78,576	$ 469,922	$ 359,215	$ 87,069	$ 446,284
Membership dues	117,517		117,517	123,480	-	123,480
Bequests	78,531		78,531	32,500	-	32,500
Retail sales, net of cost of goods sold	201,537		201,537	198,627	-	198,627
Program fees	253,736		253,736	170,267	-	170,267
Investment return	59,303	138,408	197,711	37,807	58,752	96,559
Gain on sale of property	-	-	-	28,343	-	28,343
Net assets released from restrictions	143,069	(143,069)	-	77,903	(77,903)	-
Total support and revenue	1,245,039	73,915	1,318,954	1,028,142	67,918	1,096,060
Expenses						
Program services	861,340	-	861,340	1,026,497	-	1,026,497
Management and general	190,928	-	190,928	180,360	-	180,360
Fundraising	265,576	-	265,576	195,046	-	195,046
Total expenses	1,317,844	-	1,317,844	1,401,903	-	1,401,903
Change in net assets	**(72,805)**	**73,915**	**1,110**	**(373,761)**	**67,918**	**(305,843)**
Net Assets, beginning of year	1,303,116	2,063,472	3,366,588	1,676,877	1,995,554	3,672,431
Net Assets, end of year	$ 1,230,311	$ 2,137,387	$ 3,367,698	$ 1,303,116	$ 2,063,472	$ 3,366,588

See accompanying notes to financial statements.

BIRDS CONNECT SEATTLE

STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2024 and 2023

	2024				2023			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel	$ 615,950	$ 134,889	$ 186,767	$ 937,606	$ 578,850	$ 115,086	$ 142,323	$ 836,259
Cost of goods sold - retail	363,362	-	-	363,362	363,067	-	-	363,067
Professional fees	82,412	26,964	21,715	131,091	68,825	31,281	4,675	104,781
Bank fees, licenses, and taxes	45,754	7,626	13,665	67,045	49,117	10,908	10,692	70,717
Office	30,064	2,656	18,972	51,692	38,658	3,779	26,926	69,363
Miscellaneous	11,919	12,244	14,690	38,853	10,077	11,525	1,648	23,250
Travel and meals	18,881	966	914	20,761	13,005	499	655	14,159
Program supplies	16,530	495	13	17,038	29,952	24	1,085	31,061
Facilities and meals	10,732	2,206	3,152	16,090	9,446	1,850	2,246	13,542
Advertising and promotion	12,362	-	1,572	13,934	10,949	2,098	775	13,822
Depreciation and amortization	6,805	1,444	2,062	10,311	7,642	1,550	1,883	11,075
Insurance	6,777	1,438	2,054	10,269	8,676	1,760	2,138	12,574
Donations and contributions	3,154	-	-	3,154	201,300	-	-	201,300
Total expenses	1,224,702	190,928	265,576	1,681,206	1,389,564	180,360	195,046	1,764,970
Less: Cost of goods sold - retail	(363,362)	-	-	(363,362)	(363,067)	-	-	(363,067)
	$ 861,340	$ 190,928	$ 265,576	$ 1,317,844	$ 1,026,497	$ 180,360	$ 195,046	$ 1,401,903

See accompanying notes to financial statements.

BIRDS CONNECT SEATTLE

STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	$ 1,110	$ (305,843)
Adjustments to reconcile change in net assets to net cash flows for operating activities:		
Contributions restricted to the endowments	(1,000)	-
Realized and unrealized gains on investments	(149,438)	(75,460)
Depreciation and amortization	10,311	11,075
Donation of land to others	-	199,800
Gain on sale of land held for conservation	-	(28,343)
Changes in assets and liabilities:		
Accounts receivable	393	(3,444)
Grants and contributions receivable	850	14,571
Inventory	6,685	(26,182)
Prepaid expenses	(6,106)	8,823
Accounts payable	(4,754)	9,399
Accrued payroll, benefits, and taxes	17,889	(1,534)
Deferred revenue	(107,799)	39,825
Net cash flows from operating activities	(231,859)	(157,313)
Cash Flows from Investing Activities		
Sales of investments	441,495	82,763
Purchases of investments	(232,688)	(500,488)
Proceeds from sale of land held for conservation	-	49,343
Purchases of property and equipment	-	(48,377)
Net cash flows from investing activities	208,807	(416,759)
Cash Flows from Financing Activity		
Proceeds from contributions restricted to the endowments	1,000	-
Net change in cash and cash equivalents	**(22,052)**	**(574,072)**
Cash and Cash Equivalents, beginning of the year	164,170	738,242
Cash and Cash Equivalents, end of the year	$ 142,118	$ 164,170

See accompanying notes to financial statements.

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

Birds Connect Seattle, a Washington nonprofit corporation, was founded in 1916. For 107 years, Birds Connect Seattle members and volunteers have continually worked to minimize threats to birds and protect their habitat. These years of experience have never been more important to Birds Connect Seattle's mission to advocate and organize for cities where people and birds thrive.

Today, faithful volunteers work hand in hand with dedicated staff to deliver innovative, high-quality programs in the following key areas:

<u>Environmental Education</u> – Birds Connect Seattle inspires people of all ages to learn about and enjoy birds and the natural environment. Leading experts conduct classes on birds and their related habitats, and volunteers lead regulars field trips and bird walks throughout the city and state. Advanced birders can deepen their knowledge of Washington's distinct ecoregions in the more structured Bird University program. In addition, there are youth summer camps, in-school and community-based programs, and a teen program focusing on birds and the natural world. Birds Connect Seattle also hosts a quarterly Community Speakers Series featuring guest presenters to highlight diverse perspectives and experiences with nature, birds, conservation, and environmental justice.

<u>Community Science</u> – Birds Connect Seattle coordinates local activities for two National Audubon community science programs (Christmas Bird Count and Climate Watch) and two of the Organization's own projects (Neighborhood Bird Project and Seattle Bird Collision Monitoring).

<u>Urban Conservation</u> – Birds Connect Seattle actively promotes bird-friendly public policies and encourages private practices that protect and restore habitat for birds and other wildlife. Birds Connect Seattle participates in local and regional efforts to protect at-risk bird species, including the Northern Spotted Owl and the Marbled Murrelet, and empowers Seattle-area residents to:

- Preserve and restore the urban tree canopy;
- Encourage cat guardians to keep their feline companions indoors;
- Educate the public on the secondary dangers of anticoagulant rodenticides to birds of prey;
- Support efforts for more bird safe glass in both residential and commercial applications;
- Promote the use of bird friendly native plants for backyard habitats; and
- Educate the public on the effects of climate change for overall bird and ecosystem health.

<u>Community Engagement</u> – Birds Connect Seattle has over 3,000 members who support the objectives of Birds Connect Seattle. Birds Connect Seattle places a premium on making the volunteer experience a satisfying and rewarding one for the approximately 500 active volunteers. Volunteers are encouraged to assume leadership roles and to be involved in the activities throughout the Organization. Birds Connect Seattle produces a quarterly print newsletter for its members and a monthly e-newsletter for the public. In its work with partner organizations and in all of its own efforts, Birds Connect Seattle prioritizes diversity, equity, inclusion, and justice.

<u>The Nature Shop</u> – Finally, to support an appreciation of nature, Birds Connect Seattle maintains a nature store supplied with optics, books, field guides, and other environmental publications, wild bird paraphernalia, and other nature related items of interest to its members and the general public.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimates.

Financial Statement Presentation

Birds Connect Seattle reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net asset (i.e., the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Net Assets without Donor Restrictions

Net assets without donor restrictions are available without restriction for the support of Birds Connect Seattle's operations. Birds Connect Seattle's Board of Directors has designated certain net assets without donor restrictions for the following purposes at June 30:

	2024	2023
Conservation-related purposes	$ 561,292	$ 550,789
General operating reserves	2,636	7,484
	$ 563,928	$ 558,273

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Net Assets with Donor Restrictions

Net assets with donor restrictions consist of unexpended contributions or grants restricted for particular programs or time periods. Net assets with donor restrictions are transferred to net assets without donor restrictions as expenditures are incurred for the restricted programs or as the time restrictions are met.

Net assets with donor restrictions consist of the following at June 30:

	2024	2023
Net assets with purpose restrictions		
Bird Safe Cities	$ 60,417	$ 60,922
BirdWeb	20,000	-
Speaker Series	6,439	10,000
Legal	3,383	1,307
Youth Education	-	35,000
Total net assets with purpose restrictions	90,239	107,229
Net assets with endowment restrictions		
Perpetual endowment restrictions		
Martin Miller habitat preservation	527,617	527,617
Education - Hazel Wolfe fund	307,002	301,369
Education - Patch fund	200,515	200,515
Education - Ellerbeck fund	75,000	75,000
Camp scholarships	74,027	74,027
Legal	16,000	16,000
Total net assets with perpetual endowment restrictions	1,200,161	1,194,528
Unappropriated endowment earnings		
Martin Miller habitat preservation	790,718	717,087
Education - Hazel Wolfe fund	2,832	-
Education - Patch fund	16,348	10,423
Education - Ellerbeck fund	5,174	2,984
Camp scholarships	18,505	18,614
Legal	13,410	12,607
Total unappropriated endowment earnings	846,987	761,715
	$ 2,137,387	$ 2,063,472

At June 30, 2023, Birds Connect Seattle has certain endowments where the fair value of the investments is less than the original gift (underwater endowments – see also Note 3). Underwater endowments have been reported as a reduction of net asset assets with perpetual endowment restrictions in the table above.

Cash and Cash Equivalents

Birds Connect Seattle considers all highly liquid investments with original maturities of three months or less to be cash equivalents unless those highly liquid investments are included with investments. Cash balances are occasionally in excess of federally insured limits.

Receivables

Accounts receivable consists of amounts due from customer retail sales and program fees. Grants and contributions receivable are expected to be collected in one year and are recorded at net realizable value. Birds Connect Seattle considers accounts greater than 30 days old to be past due and uses the allowance method for recognizing bad debts (based on historical collection rates). When an account is deemed uncollectible, it is generally written off against the allowance. Management does not believe any allowance is necessary at June 30, 2024 or 2023.

Inventory

Inventory is stated at the lower of average cost or net realizable value and consists solely of finished goods held for retail sales. Retail goods consist primarily of optical equipment, habitat supplies, multimedia, and paper products. Cost is determined using the average cost method.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

An asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Investments are stated at fair value in these financial statements.

Investments

Investments in government bonds, corporate bonds, and mutual funds are reported at fair value using quoted prices in an active market (Level 1 inputs), and consist of the following at June 30:

	2024	2023
Cash and cash equivalents	$ 229,011	$ 405,691
Government bonds (including municipal bonds)	138,313	135,442
Corporate bonds	1,407,845	1,362,354
Equity mutual funds	1,068,567	999,618
	$ 2,843,736	$ 2,903,105

Investments are held for long-term purposes based on the intent of Birds Connect Seattle or within a donor-restricted endowment fund, and are reported in the statements of financial position as follows at June 30:

	2024	2023
Investments	$ 796,588	$ 946,862
Investments held for endowments	2,047,148	1,956,243
	$ 2,843,736	$ 2,903,105

Investment return (loss) is reported in the statements of activities and consists of interest and dividend income, and realized and unrealized gains and losses, less investment expenses.

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Property and Equipment

Property and equipment are stated at cost if purchased or, if donated, at the estimated fair value at the date of donation. Birds Connect Seattle capitalizes assets with a cost or donated value greater than $3,000 and a useful life in excess of one year. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the assets. Buildings and improvements are depreciated over 30 years, and furniture, equipment, and software are depreciated or amortized between 3 and 15 years.

Property and equipment consist of the following at June 30:

	2024	2023
Building and improvements	$ 283,618	$ 283,618
Furniture and equipment	4,351	4,351
Software	48,344	48,344
	336,313	336,313
Less: Accumulated depreciation and amortization	(288,577)	(278,266)
	47,736	58,047
Land	221,054	221,054
	$ 268,790	$ 279,101

Land Held for Conservation

Birds Connect Seattle maintains selected sites for wildlife sanctuary lands. Land held for conservation is carried at cost.

Grants and Contributions Revenue

Grants and contributions revenue are recognized when the unconditional pledge or grant award is made. Conditional grants and contributions are not recognized until they become unconditional; that is, the conditions on which they depend are substantially met.

Membership Dues

Membership dues revenue is considered contributory as little to no exchange of goods or services exists and is therefore recognized when the payment is made.

Bequests

Bequests are recognized when Birds Connect Seattle is notified by the executor as to the amount to be received and the estate has cleared probate (the conditions are met).

In-Kind Contributions

Birds Connect Seattle recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no in-kind contributions recognized during the years ended June 30, 2024 or 2023.

A substantial number of unpaid volunteers made significant contributions of their time to carry out programs and activities of Birds Connect Seattle. The estimated value of the volunteer services is not included in these financial statements because it does not meet the accounting criteria for recording.

Retail Sales

Birds Connect Seattle recognizes revenue from retail sales when products are sold at point of sale or shipped to the customer and title and risk of loss for products has passed to the customer.

Program Fees

Program fees revenue is recognized when the related program, primarily youth camps, takes place (the sole performance obligation). Program fees collected in advance of program events are recognized as deferred revenue (a contract liability). Contract liabilities at June 30, 2023 recognized to program fees revenue during the year ended June 30, 2024 totaled $188,670. Contract liabilities at June 30, 2022 recognized to program fees revenue during the year ended June 30, 2023 totaled $148,845. There are no significant judgments affecting the determination of amount and timing of program fees revenue.

Income Taxes

Birds Connect Seattle is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. No provision for income taxes is made in the accompanying financial statements, as Birds Connect Seattle has no activities subject to unrelated business income tax.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Certain expenses are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The expenses that are allocated include personnel, which are allocated on the basis of estimates of time and effort, and indirect overhead expenses, which are allocated based on gross salary percentages by function. Indirect overhead expenses include professional fees, bank fees, licenses, and taxes, office, miscellaneous and other.

Subsequent Events

Birds Connect Seattle has evaluated subsequent events through the date these financial statements were available to be issued, which was October 14, 2024.

Note 2 – Liquidity and Availability of Resources

Birds Connect Seattle strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and marketable securities.

The following table reflects Birds Connect Seattle's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations. Financial assets available for general expenditures include budgeted endowment appropriations; however, actual amounts could differ from budgeted based on the liquidity needs of Birds Connect Seattle. Amounts not available include certain investments included in donor-restricted endowment funds fully described in Note 3 and board-designated funds that are intended to fund special board initiatives not considered in the annual operating budget. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

	2024	2023
Financial Assets		
Cash and cash equivalents	$ 142,118	$ 164,170
Accounts receivable	3,890	4,283
Grants and contributions receivable	-	850
Investments	2,843,736	2,903,105
	2,989,744	3,072,408
Less: Amounts Not Available to be Used Within One Year		
Investments held in endowments	(2,047,148)	(1,956,243)
Net assets with purpose restrictions	(90,239)	(107,229)
Net assets with board designations	(563,928)	(558,273)
	(2,701,315)	(2,621,745)
Appropriations from Endowments Expected to be Distributed in the Next Year	66,000	66,000
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 354,429	$ 516,663

Note 3 – Endowments

Birds Connect Seattle's endowment consists of six donor-restricted funds established for a variety of purposes (see net assets with endowment restrictions at Note 1). As required by GAAP, net assets associated with endowment funds, including quasi endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of Birds Connect Seattle has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring 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 of this interpretation, Birds Connect Seattle classifies net assets net assets with perpetual endowment restrictions (a) the original value of gifts donated to the perpetual endowment, plus (b) the original value of subsequent gifts to the perpetual endowment. The remaining portion of the donor-restricted endowment fund that is not classified in net assets is classified as unappropriated endowment earnings until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, Birds Connect Seattle considers the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of Birds Connect Seattle and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- The investment policies of Birds Connect Seattle
- Other resources of Birds Connect Seattle

Changes in endowment net assets are as follows for the years ending June 30, 2024 and 2023:

	With Donor Restrictions		
	Unappropriated Earnings	Perpetual	Total
Endowment Net Assets, June 30, 2022	$ 730,560	$ 1,176,550	$ 1,907,110
Investment return	40,773	17,978	58,751
Appropriations for expenditure	(9,618)	-	(9,618)
Endowment Net Assets, June 30, 2023	761,715	1,194,528	1,956,243
Investment return	132,775	5,633	138,408
Contributions	1,000	-	1,000
Appropriations for expenditure	(48,503)	-	(48,503)
Endowment Net Assets, June 30, 2024	$ 846,987	$ 1,200,161	$ 2,047,148

Return Objectives and Risk Parameters

Birds Connect Seattle has adopted investment and spending policies, as approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets over the long term. Endowment assets include those assets of donor-restricted funds that Birds Connect Seattle must hold in perpetuity or for a donor-specified period. Under this policy, the endowment assets are invested in a manner that is intended to produce results that exceed general market averages while assuming a prudent level of investment risk.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Birds Connect Seattle 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). Birds Connect Seattle targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Birds Connect Seattle has a policy of appropriating up to five percent of a moving three-year average of the portfolio value. If the Board of Directors does not elect to appropriate the entire allowable amount, the investment gains or losses, by default, are included as a positive or negative change to unappropriated endowment earnings. In establishing this policy, Birds Connect Seattle considered the long-term expected return on its endowment. Accordingly, over the long term, Birds Connect Seattle expected the current spending policy to allow its endowment to maintain its historical value.

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 requires. In accordance with GAAP, deficiencies of this nature are to be reported in net assets with perpetual restrictions. At June 30, 2023, funds with original gift values of $307,002, and deficiencies of $5,633 were reported in net assets with perpetual donor restrictions. There were no such deficiencies at June 30, 2024.

Note 4 – Benefit Plan

Birds Connect Seattle has a simple IRA plan (the Plan) for employees who meet the Plan's eligibility requirements. Birds Connect Seattle matches a portion of employee contributions. Birds Connect Seattle contributed $13,864 and $12,066 to the Plan during the years ended June 30, 2024 and 2023, respectively.