CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Cary Institute of Ecosystem Studies, Inc.
Millbrook, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cary Institute of Ecosystem Studies, Inc., which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, 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 Cary Institute of Ecosystem Studies, Inc., 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Cary Institute of Ecosystem Studies, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cary Institute of Ecosystem Studies, Inc.'s ability to continue as a going concern within 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 and *Government 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 GAAS and *Government 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 Cary Institute of Ecosystem Studies, Inc.'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 Cary Institute of Ecosystem Studies, Inc.'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.

Board of Trustees
Cary Institute of Ecosystem Studies, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2024, on our consideration of Cary Institute of Ecosystem Studies, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Cary Institute of Ecosystem Studies, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cary Institute of Ecosystem Studies, Inc.'s internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

West Hartford, Connecticut
November 8, 2024

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	$ 449,651	$ 699,545
Investments	127,891,099	120,730,833
Grants and Contracts Receivable	1,085,862	994,078
Pledges Receivable	239,383	339,312
Other Assets	331,391	320,409
Property and Equipment, Net	18,338,076	18,667,090
Total Assets	$ 148,335,462	$ 141,751,267
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 1,065,647	$ 297,023
Deferred Revenue	3,667,131	1,181,892
Postretirement Benefits	625,403	612,330
Finance Lease Obligation	268	4,620
Total Liabilities	5,358,449	2,095,865
NET ASSETS		
Without Donor Restrictions	45,787,101	45,672,715
With Donor Restrictions	97,189,912	93,982,687
Total Net Assets	142,977,013	139,655,402
Total Liabilities and Net Assets	$ 148,335,462	$ 141,751,267

See accompanying Notes to Financial Statements.

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Government Grants and Contracts	$ 4,742,438	$ -	$ 4,742,438
Private Grants and Contributions	1,964,371	690,208	2,654,579
Other Income	164,081	-	164,081
Auxiliary Enterprises	114,969	-	114,969
Tuition and Fees	62,138	-	62,138
Investment Return Designated for Operations	-	5,989,711	5,989,711
Net Assets Released from Restrictions	6,278,989	(6,278,989)	-
Total Operating Revenues	13,326,986	400,930	13,727,916
OPERATING EXPENSES			
Program Services:			
Science	8,727,168	-	8,727,168
Education	1,135,250	-	1,135,250
Auxiliary Enterprises	685,317	-	685,317
Outreach, Public Programs, and Visitation	400,754	-	400,754
Library	279,466	-	279,466
Grounds	388,335	-	388,335
Total Program Services	11,616,290	-	11,616,290
Supporting Services:			
Finance and Administration	2,473,994	-	2,473,994
Executive Management	602,565	-	602,565
Development	783,752	-	783,752
Total Supporting Services	3,860,311	-	3,860,311
Total Operating Expenses	15,476,601	-	15,476,601
CHANGE IN NET ASSETS FROM OPERATIONS	(2,149,615)	400,930	(1,748,685)
OTHER CHANGES IN NET ASSETS			
Investment Gain, Net in Excess (Deficiency) of Amounts Designated for Operations	2,264,001	2,806,295	5,070,296
Total Other Changes in Net Assets	2,264,001	2,806,295	5,070,296
CHANGE IN NET ASSETS	114,386	3,207,225	3,321,611
Net Assets - Beginning of Year	45,672,715	93,982,687	139,655,402
NET ASSETS - END OF YEAR	$ 45,787,101	$ 97,189,912	$ 142,977,013

See accompanying Notes to Financial Statements.

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Government Grants and Contracts	$ 3,891,774	$ -	$ 3,891,774
Private Grants and Contributions	1,560,586	409,338	1,969,924
Other Income	124,021	-	124,021
Auxiliary Enterprises	118,516	-	118,516
Tuition and Fees	54,568	-	54,568
Investment Return Designated for Operations	-	6,078,788	6,078,788
Net Assets Released from Restrictions	6,431,302	(6,431,302)	-
Total Operating Revenues	12,180,767	56,824	12,237,591
OPERATING EXPENSES			
Program Services:			
Science	7,809,185	-	7,809,185
Education	653,492	-	653,492
Auxiliary Enterprises	646,736	-	646,736
Outreach, Public Programs, and Visitation	346,840	-	346,840
Library	284,544	-	284,544
Grounds	364,089	-	364,089
Total Program Services	10,104,886	-	10,104,886
Supporting Services:			
Finance and Administration	2,102,890	-	2,102,890
Executive Management	507,018	-	507,018
Development	618,334	-	618,334
Total Supporting Services	3,228,242	-	3,228,242
Total Operating Expenses	13,333,128	-	13,333,128
CHANGE IN NET ASSETS FROM OPERATIONS	(1,152,361)	56,824	(1,095,537)
OTHER CHANGES IN NET ASSETS			
Investment Gain, Net in Excess (Deficiency) of Amounts Designated for Operations	1,117,055	(1,207,842)	(90,787)
Other Changes in Net Assets	1,117,055	(1,207,842)	(90,787)
CHANGE IN NET ASSETS	(35,306)	(1,151,018)	(1,186,324)
Net Assets - Beginning of Year	45,708,021	95,133,705	140,841,726
NET ASSETS - END OF YEAR	$ 45,672,715	$ 93,982,687	$ 139,655,402

See accompanying Notes to Financial Statements.

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	Management and General	Fundraising	Total
EXPENSES				
Salaries	$ 4,812,804	$ 1,377,408	$ 461,373	$ 6,651,585
Benefits and Taxes	2,023,236	707,659	205,252	2,936,147
Subcontracts	1,732,207	-	-	1,732,207
Depreciation and Amortization	1,138,551	46,991	16,704	1,202,246
Outside Services	791,357	276,173	11,546	1,079,076
Vehicle and Travel Expenses	330,337	10,990	6,227	347,554
Insurance	420	335,997	-	336,417
Supplies	264,596	43,008	9,168	316,772
Miscellaneous	110,004	130,885	9,388	250,277
Occupancy	157,834	5,906	2,100	165,840
Printing and Publications	122,459	986	8,521	131,966
Conferences and Meetings	60,499	2,169	49,781	112,449
Accounting Services	-	95,121	-	95,121
Telephone	23,034	39,750	50	62,834
Fellowships	35,754	-	-	35,754
Legal	8,775	1,605	-	10,380
Postage	4,423	1,911	3,642	9,976
Total Expenses	$ 11,616,290	$ 3,076,559	$ 783,752	$ 15,476,601

See accompanying Notes to Financial Statements.

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services	Management and General	Fundraising	Total
EXPENSES				
Salaries	$ 4,366,616	$ 1,279,268	$ 369,054	$ 6,014,938
Benefits and Taxes	1,480,879	475,213	133,852	2,089,944
Subcontracts	1,468,264	-	-	1,468,264
Depreciation and Amortization	1,115,728	46,050	16,370	1,178,148
Outside Services	632,304	353,198	37,803	1,023,305
Vehicle and Travel Expenses	311,131	9,097	2,842	323,070
Insurance	-	270,376	-	270,376
Supplies	262,449	54,967	8,469	325,885
Miscellaneous	50,589	(27,568)	3,979	27,000
Occupancy	154,816	5,531	2,052	162,399
Printing and Publications	139,222	1,458	2,949	143,629
Conferences and Meetings	49,303	2,575	36,968	88,846
Accounting Services	-	97,726	-	97,726
Telephone	23,341	37,603	110	61,054
Fellowships	45,926	-	-	45,926
Legal	-	2,314	-	2,314
Postage	4,318	2,100	3,886	10,304
Total Expenses	$ 10,104,886	$ 2,609,908	$ 618,334	$ 13,333,128

See accompanying Notes to Financial Statements.

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 3,321,611	$ (1,186,324)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	1,202,246	1,178,148
Realized and Unrealized Gains on Investments, Net	(11,464,514)	(6,894,867)
(Increase) Decrease in Operating Assets:		
Grants and Contracts Receivable	(91,784)	(62,332)
Pledges Receivable	99,929	218,251
Other Assets	(10,982)	(109,090)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable and Accrued Expenses	768,624	(676,429)
Deferred Revenue	2,485,239	373,148
Postretirement Benefits	13,073	12,873
Net Cash Used by Operating Activities	(3,676,558)	(7,146,622)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investments	9,785,605	17,668,065
Purchase of Investments	(5,481,357)	(10,566,513)
Purchase of Property and Equipment	(873,232)	(335,148)
Net Cash Provided by Investing Activities	3,431,016	6,766,404
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Finance Lease Obligation	(4,352)	(4,354)
Net Cash Used by Financing Activities	(4,352)	(4,354)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(249,894)	(384,572)
Cash and Cash Equivalents - Beginning of Year	699,545	1,084,117
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 449,651	$ 699,545

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Cary Institute of Ecosystem Studies, Inc. (the Institute), formerly named The Institute of Ecosystem Studies, Inc., is a nonprofit research and educational institution incorporated under the laws of the state of New York. The Institute is dedicated to the creation, dissemination, and application of knowledge about ecological systems.

Basis of Accounting and Presentation

The financial statements of the Institute have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Accordingly, the accounts of the Institute are reported in the following net asset categories:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent available resources other than donor-restricted contributions. These resources may be expended at the discretion of the board of trustees. The board has designated a portion of net assets without donor restrictions to function as an endowment.

Net Assets With Donor Restrictions – Net assets with donor restrictions represent 1) contributions that are restricted by the donor as to purpose or time of expenditure, 2) accumulated investment gains and income on endowment investments that have not been appropriated for expenditure, and 3) resources that have donor-imposed restrictions that require that the principal be maintained in perpetuity but permit the Institute to expend the income earned thereon.

Adoption of New Accounting Standards

At the beginning of 2024, the Institute adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Institute adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Institute's financial statements but did change how the allowance for credit losses is determined.

Measure of Operations

The Institute's measure of operations includes all operating revenues and expenses that are an integral part of its programs, including net assets released from donor restrictions to support operations. The measure of operations also includes distributions from the endowment in accordance with the Institute's endowment spending policy. The measure of operations excludes income and gains or losses on endowment that exceed or are less than the distribution determined by the spending policy and other nonendowment-related investment income.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The most significant estimates relate to the valuation of alternative investments.

Cash and Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less. As of June 30, 2024 and 2023, endowed cash of $336,364 and $462,981, respectively, was included in Cash and Cash Equivalents on the statements of financial position.

The Institute maintains deposits in financial institutions that may, at times, exceed federal and other depository insurance limits. Management believes that the Institute’s deposits are not subject to significant credit risk.

Investment Valuation and Income Recognition

The Institute’s investment portfolio consists of a wide range of securities and investment vehicles whose purpose is to help support the cost of the Institute’s operations. Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investments in marketable equity and all debt securities are reported at market value in the statements of financial position. However, certain assets in the portfolio relate to investments in a variety of limited partnerships. These partnerships, in turn, may invest in listed and unlisted stocks, corporate bonds and other fixed income securities, as well as other limited partnerships and financial instruments that are illiquid, and may also engage in various forms of arbitrage. As a result, the market value of certain partnership investments is, of necessity, based on estimates as discussed in Note 2. These estimated values could differ significantly from values that would have been determined had there been a ready market for the underlying investments. Purchases and sales of securities are recorded on the trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Institute’s gains and losses on investments bought and sold as well as held during the year. Realized and unrealized gains and losses on these investments are reported in the statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Property and Equipment

Property and equipment acquisitions and improvements thereon that exceed $5,000 are capitalized at cost and depreciated on a straight-line basis over their estimated useful lives, which range from 4 to 35 years. Repairs and maintenance are charged to expense as incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions, Including Government Grants and Contracts

In accordance with ASU No. 2018-08, certain governmental grants and contracts received by a nonprofit, including certain awards to fund capital expenditures, are generally considered to be contributions rather than exchange transactions since there was not commensurate value transferred between the resource provider and the Institute. Promises to give that are subject to donor-imposed conditions (i.e., a donor stipulation that includes a barrier that must be overcome and a right of return of assets) are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Unconditional contributions are recognized when promised or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions receivable expected to be collected in more than one year are discounted to their present value.

The Institute reports contributions of cash and other assets as donor-restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as Net Assets Released from Restrictions. Contributions received whose restrictions are met in the same period are presented as net assets without donor restrictions.

The Institute has been awarded approximately $7.1 and $7.5 million in grants and contracts that have not been advanced or expended as of June 30, 2024 and 2023, respectively and, accordingly, are not recognized in the financial statements. Government grants and contracts are conditioned on incurring qualified program expenses or meeting performance measures.

The Institute reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions on how the assets are to be used and gifts of cash or other assets that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations about how long those assets must be maintained, the Institute reports expirations of donor restrictions when the assets are placed in service.

Contributed services are recognized in the financial statements if they enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. General volunteer services do not meet these criteria for recognition. However, many volunteers have donated significant amounts of time in developing the Institute’s programs.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributable to a specific functional area are reported as expenses of those functional areas. Natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as time and effort, usage, or square footage.

Income Taxes

The Institute is exempt from federal and state income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code (the IRC) and is exempt from federal income tax under Section 501(a) of the IRC; however, the Institute is subject to federal income tax on any unrelated business taxable income.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

In preparing these financial statements, management has evaluated subsequent events through November 8, 2024, which represents the date the financial statements were available to be issued.

NOTE 2 FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Institute has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets in active markets;
- quoted prices for identical or similar assets in inactive markets;
- inputs other than quoted prices that are observable for the asset;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. As a practical expedient, certain investments are measured at fair value on the basis of net asset value; its classification as Level 2 or 3 will be impacted by the ability to redeem the investment at net asset value at the measurement date. If there is uncertainty or the inability to redeem an investment at net asset value in the near term subsequent to the measurement date, the investment is categorized as Level 3.

Financial Instruments Measured at Fair Value

The following is a description of the valuation methodologies and investment strategies used for assets measured at fair value:

Money Market Funds and Fixed Income – Money market funds are valued at the quoted net asset value of shares reported in the active market in which the funds are traded. The purpose of this investment is to maintain safe, highly liquid assets as opposed to generating significant yield. Fixed income is valued at the closing price reported in the active market in which the individual securities are traded. As a result, credit quality is a core emphasis of this allocation. The redemption period for these investments is daily, with no advanced notice. The purpose of these allocations are to be the principal source of annual liquidity needs as well as capital calls and potential opportunistic investments if applicable, create some measure of diversification, and provide current income. As a result, both credit quality and preservation of principal are a core emphasis of this allocation.

Equities – Equity is valued at the closing price reported in the active market in which the individual securities are traded. This investment class seeks to provide long-term capital appreciation. Equity managers will be selected with the objective of building a portfolio that is diversified by geographic region, economic sector, industry and market capitalization. The objective in selecting equity managers is to generate average annual compounded returns higher than the relevant broad market indices (i.e., the MSCI AC World, S&P 500, Russell 1000, and MSCI EAFE), net of fees, over full market cycles (approximately 5-10 years). The redemption period for these investments ranges from daily to semiannually, with 0-30 days' notice and varying lockup.

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Financial Instruments Measured at Fair Value (Continued)

Alternative Assets – Interests in alternative assets are valued using net asset values as determined by the investment manager of the fund. This net asset value is based on the fair value of the underlying assets and liabilities of the related fund at the measurement date. This investment class may include both "absolute return strategies" and long/short "equity" strategies. Absolute return strategies generally include event-driven, stressed and distressed credit, and spread-based arbitrage investments. Absolute return strategies tend to be both flexible and opportunistic. Such strategies incorporate differentiated drivers of return compared to traditional investment strategies, and, as a result, they generally seek to produce returns that exhibit relatively low correlation to equity market indices and lower volatility over longer time horizons. Long/short equity managers typically make both long and short investments and produce returns that are generally expected to correlate more closely with the performance of the equity markets than would the performance of the absolute return strategies. However, such long/short strategies often seek lower volatility than traditional long-only equity managers, particularly over multi-year periods. Investments in alternative assets are typically subject to an initial lockup of 12-24 months or longer and thereafter investors may be able to withdraw quarterly or annually subject to certain conditions.

Real Assets – Real assets are valued at the quoted net asset value of shares held by the Institute at year-end or valued using net asset values as determined by the investment manager of the fund. The purpose of Real assets allocation is to offer attractive risk-adjusted total returns generated through a mix of current income and capital appreciation, different drives of return that provide diversification benefits and some measure of inflation hedging characteristics to protect long-term purchasing power.

Hybrid/Multi-Asset Class – Interests in hybrid investments are valued using net asset values as determined by the investment manager of the fund. This net asset value is based on the fair value of the underlying assets and liabilities of the related fund at the measurement date. These investments tend to be heavily long-biased and often have less liquidity than public equity funds or hedge funds, but exhibit shorter duration that traditional private equity and real asset funds. Multi-asset class funds employ diversification across various investment strategies, asset classes, industries, vintages, and geographies.

Private Equities – Interests in private investments are valued using net asset values as determined by the investment manager of the fund. This net asset value is based on the fair value of the underlying assets and liabilities of the related fund at the measurement date. This investment class encompasses diverse strategies including buyout/growth, venture capital and control-oriented distressed. These illiquid investments generally have four to six-year investment periods and approximately 10-year or longer fund lives. Given their illiquidity, private equity investments are expected to generate higher returns than public market strategies.

Investments Managed by Others – The investments managed by others are valued at the quoted fair value of the underlying assets held at year-end.

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Financial Instruments Measured at Fair Value (Continued)

There have been no changes in the methodologies used at June 30, 2024 and 2023.

The following is a summary of the source of fair value measurements for assets as of June 30, 2024:

		Fair Value Measurements at Report Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
ASSETS					
Cash and Cash Equivalents	$ 12,464,763	$ 12,464,763	$ -	$ -	$ -
Fixed Income:					
Domestic	5,530,163	5,530,163	-	-	-
Equity:					
Global Equity - Managed	36,493,582	6,704,739	-	-	29,788,843
Domestic Equity - Managed	16,781,927	16,781,927	-	-	-
Emerging Equities - Managed	3,703,993	-	-	-	3,703,993
Alternative Assets:					
Absolute Return	15,169,941	-	-	-	15,169,941
Equity Hedge	4,403,306	-	-	-	4,403,306
Real Assets	9,330,339	-	-	-	9,330,339
Hybrid	8,249,485	-	-	-	8,249,485
Private Investments:					
Fund of Funds	15,189,665	-	-	-	15,189,665
Buyout/Growth	527,031	-	-	-	527,031
Investments Managed by Others	46,904	-	46,904	-	-
Total Assets at Fair Value	$ 127,891,099	$ 41,481,592	$ 46,904	$ -	$ 86,362,603

The following is a summary of the source of fair value measurements for assets as of June 30, 2023:

		Fair Value Measurements at Report Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV
ASSETS					
Cash and Cash Equivalents	$ 12,831,117	$ 12,831,117	$ -	$ -	$ -
Fixed Income:					
Domestic	5,416,439	5,416,439	-	-	-
Equity:					
Global Equity - Managed	35,088,981	5,488,698	-	-	29,600,283
Domestic Equity - Managed	14,151,773	14,151,773	-	-	-
Emerging Equities - Managed	4,227,120	-	-	-	4,227,120
Alternative Assets:					
Absolute Return	14,753,550	-	-	-	14,753,550
Equity Hedge	3,340,240	-	-	-	3,340,240
Real Assets	8,631,244	-	-	-	8,631,244
Hybrid	6,863,279	-	-	-	6,863,279
Private Investments:					
Fund of Funds	14,661,731	-	-	-	14,661,731
Buyout/Growth	722,776	-	-	-	722,776
Investments Managed by Others	42,583	-	42,583	-	-
Total Assets at Fair Value	$ 120,730,833	$ 37,888,027	$ 42,583	$ -	$ 82,800,223

NOTE 2 FAIR VALUE MEASUREMENTS (CONTINUED)

Financial Instruments Measured at Fair Value (Continued)

(a) Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient, which is a reasonable estimate of fair value, have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

There were no transfers between levels of investments during the years ended June 30, 2024 and 2023.

Additional information regarding investments that report fair value based on net asset value per share or unit as of June 30 is as follows:

June 30, 2024	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global Equity - Managed	$ 29,788,843	$ -	Quarterly, Semiannually	30 Days
Emerging Equities - Managed	3,703,993	-	Quarterly, Annually	90 Days
Absolute Return	15,169,941	-	Quarterly, Semiannually	60-65 Days
Equity Hedge	4,403,306	-	Every Third Anniversary	60-180 Days
Real Assets	9,330,339	6,325,374	Illiquid	Illiquid
Hybrid	8,249,485	3,614,382	Illiquid	Illiquid
Fund of Funds	15,189,665	5,050,000	Illiquid	Illiquid
Buyout/Growth	527,031	64,155	Illiquid	Illiquid
Total	$ 86,362,603	$ 15,053,911		

June 30, 2023	Fair value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Global Equity - Managed	$ 29,600,283	$ -	Quarterly, Semiannually	30 Days
Emerging Equities - Managed	4,227,120	-	Quarterly, Annually	90 Days
Absolute Return	14,753,550	-	Quarterly, Semiannually	60-65 Days
Equity Hedge	3,340,240	-	Monthly, and Every Third Anniversary Expiring 1/1/2022 and 4/1/2022	60-180 Days
Real Assets	8,631,244	8,725,000	Illiquid	Illiquid
Hybrid	6,863,279	2,029,427	Illiquid	Illiquid
Fund of Funds	14,661,731	6,361,250	Illiquid	Illiquid
Buyout/Growth	722,776	64,155	Illiquid	Illiquid
Total	$ 82,800,223	$ 17,179,832		

NOTE 3 GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following at June 30:

	2024	2023
Government Agencies (Primarily Federal Agencies)	$ 942,444	$ 850,244
University and Other Research Institutions	140,834	143,834
Foundations	2,584	-
Total Grants and Contracts Receivable	$ 1,085,862	$ 994,078

At June 30, 2024 and 2023, grant proceeds in the amount of $3,415,249 and $1,043,050, respectively, were advanced to the Institute but not expended and, accordingly, are included in the accompanying financial statements as deferred revenue. Revenue on these grants will be recognized as expenditures are incurred.

NOTE 4 PLEDGES RECEIVABLE

Unconditional pledges receivable as of June 30 are expected to be collected as follows:

	2024	2023
Receivable in Less Than One Year	$ 191,383	$ 268,929
Receivable in One to Five Years	48,000	70,383
Total Pledges Receivable	$ 239,383	$ 339,312

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	2024	2023
Land	$ 3,671,378	$ 3,472,403
Land Improvements	1,068,922	1,068,922
Buildings	8,906,954	8,653,581
Building Improvements	17,754,333	17,688,411
Equipment, Furniture, and Fixtures	4,595,984	4,363,997
Construction in Progress	37,236	-
Subtotal	36,034,807	35,247,314
Less: Accumulated Depreciation and Amortization	17,696,731	16,580,224
Property and Equipment, Net	$ 18,338,076	$ 18,667,090

Depreciation and amortization expense was $1,202,246 and $1,178,148 for the years ended June 30, 2024 and 2023, respectively.

NOTE 6 LIQUIDITY AND AVAILABILITY OF RESOURCES

The Institute's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2024	2023
Cash and Cash Equivalents	$ 113,287	$ 236,564
Investments	10,551,072	8,694,984
Grants and Contracts Receivable	1,085,863	994,078
Pledges Receivable	2,000	4,000
Other Assets	55,775	66,081
Financial Assets Available Within One Year	11,807,997	9,995,707
Board-Authorized Endowment Draw for Next Fiscal Year	5,960,358	5,989,711
Total Financial Assets Available to Management for General Expenditure Within One Year	$ 17,768,355	$ 15,985,418

Liquidity Management

The Institute maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Institute invests cash in excess of weekly requirements in short-term investments. The Institute's governing board has designated a portion of its resources without donor restrictions for the endowment in the amount of $20,510,980. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the board. In addition to financial assets available to meet general expenditures over the next 12 months, the Institute operates with a balanced budget and anticipates collecting sufficient revenue and utilizing approved appropriation of endowment assets to cover general expenditures.

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

	2024	2023
Endowment Restricted in Perpetuity	$ 80,485,832	$ 80,485,832
Accumulated Gains and Income on Endowment Assets Available for Appropriation by the Board of Trustees	14,344,014	11,538,357
Time Restrictions:		
Future Periods	10,000	10,000
Purpose Restrictions:		
Science Innovation Fund	737,659	729,996
Strategic Planning	360,775	360,775
Science and Education Initiatives	1,119,680	712,537
Forest Ecology Research	50,874	56,985
Program and Outreach Initiatives	81,078	88,205
Total	$ 97,189,912	$ 93,982,687

NOTE 8 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions by incurring expenses satisfying the following purpose or time restrictions for the years ended June 30:

	2024	2023
Board Appropriations of Accumulated Gains and Income	$ 5,989,711	$ 6,078,788
Science and Education Initiatives	263,905	328,974
Science Innovation Fund	11,497	14,359
Blue Stem Meadow	7,765	-
Forest Ecology Research	6,111	7,181
Passage of Time	-	2,000
Total	$ 6,278,989	$ 6,431,302

NOTE 9 ENDOWMENT

GAAP provides accounting standards on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the New York Prudent Management of Institutional Funds Act (NYPMIFA). GAAP also provides for other disclosures concerning an organization’s endowment funds whether or not the organization is subject to NYPMIFA. The state of New York introduced legislation in 2009, and NYPMIFA was enacted in 2010.

The Institute’s policy has always been to classify accumulated gains and income on donor-restricted endowment assets as net assets with donor restrictions until appropriated for expenditure.

The Institute’s endowment consists of a board-designated fund and nine individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 9 ENDOWMENT (CONTINUED)

Endowment net asset composition by type of fund as of June 30 is as follows:

June 30, 2024	Without Donor Restriction	With Donor Restriction	Total
Board-Designated Endowment Funds	$ 20,510,980	$ -	$ 20,510,980
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	80,485,832	80,485,832
The Portion of Perpetual Endowment Funds Subject to a Time Restriction Under UPMIFA	-	14,344,014	14,344,014
Total	$ 20,510,980	$ 94,829,846	$ 115,340,826
June 30, 2023			
Board-Designated Endowment Funds	$ 18,598,877	$ -	$ 18,598,877
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	80,485,832	80,485,832
The Portion of Perpetual Endowment Funds Subject to a Time Restriction Under UPMIFA	-	11,538,357	11,538,357
Total	$ 18,598,877	$ 92,024,189	$ 110,623,066

Changes in endowment net assets for the years ended June 30 are as follows:

June 30, 2024	Without Donor Restriction	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	$ 18,598,877	$ 92,024,189	$ 110,623,066
Investment Return, Net	1,912,103	8,795,368	10,707,471
Endowment Net Assets Appropriated for Expenditure	-	(5,989,711)	(5,989,711)
Endowment Net Assets - End of Year	$ 20,510,980	$ 94,829,846	$ 115,340,826
June 30, 2023			
Endowment Net Assets - Beginning of Year	$ 17,503,752	$ 93,231,936	$ 110,735,688
Investment Return, Net	1,095,125	4,871,041	5,966,166
Endowment Net Assets Appropriated for Expenditure	-	(6,078,788)	(6,078,788)
Endowment Net Assets - End of Year	$ 18,598,877	$ 92,024,189	$ 110,623,066

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Institute to retain as a fund of perpetual duration. In accordance with GAAP, there were no deficiencies of this nature that are reported in net assets with donor restrictions as of June 30, 2024 and 2023.

NOTE 9 ENDOWMENT (CONTINUED)

Return Objectives and Risk Parameters

The Institute has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Institute must hold in perpetuity. Under this policy, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to provide sufficient liquidity, preserve capital in inflation-adjusted terms, and grow capital with moderate risk. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Institute has a policy of appropriating for distribution each year 5% of the endowment fund's average fair value over the prior 20 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. The actual amount spent was $5,989,711 and $6,078,788 for the years ended June 30, 2024 and 2023, respectively. In establishing this policy, the Institute considered the long-term expected return on its endowment. The policy is consistent with the Institute's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The Institute has a policy that permits spending from underwater endowment funds depending on the degree to which the fund is underwater, unless otherwise precluded by donor intent or relevant laws and regulations.

NOTE 10 PENSION AND OTHER POSTRETIREMENT BENEFITS

Retirement benefits for professional staff are provided under a defined contribution program with the Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA and CREF). The Institute makes biweekly contributions to TIAA and CREF based on eligible employees' earnings. Contributions for the years ended June 30, 2024 and 2023, were $541,128 and $484,342, respectively.

NOTE 11 PENSION AND OTHER POSTRETIREMENT BENEFITS

The Institute participates in the Cultural Institution Retirement System (CIRS) Pension, 401(k) Savings, and Group Life and Welfare Benefits Plans. Each plan is a multiemployer plan covering employees from multiple cultural institutions and New York City daycare centers.

NOTE 11 PENSION AND OTHER POSTRETIREMENT BENEFITS (CONTINUED)

The CIRS pension plan (EIN number 11-2001170, Plan number 001) offers benefits related to years of service and final average salary. Eligible employees enter the plan on the first day of the month after completing 12 months of service and attainment of age 21. Participants become 100% vested after five years of service. CIRS is responsible for administering the benefits of the pension plan and investing the plan assets. For the plan years 2024 and 2023, the zone status under the Pension Reform Act is certified by the pension plan's actuary to be in the green zone and, therefore, there are no surcharges for the pension plan, and no financial improvement plan or rehabilitation plan is required. The Institute's pension expense related to this plan was $107,621 and $116,304 for the years ended June 30, 2024 and 2023, respectively.

Eligible employees may participate in the 401(k) Savings and Group Life and Welfare Benefits Plans on the first day of the month after completing three months of service and attainment of age 21. All participants are required to contribute at least 2% of their salary on either an after-tax basis or pre-tax basis. In addition, the employer makes matching contributions to the 401(k) plan. As specified in the current Collective Bargaining Agreement, the match was suspended for the plan years beginning July 1, 2013 and July 1, 2014. The Institute's expenses for the 401(k) Savings Plan, Group Life and Welfare Benefits Plans, and the administrative costs for all three plans was $15,901 and $16,659 for the years ended June 30, 2024 and 2023, respectively.

In addition, the Institute has a Post-Retirement Medical Plan (the Plan) for eligible retired employees. Under the terms of the Plan, certain medical care expenses are reimbursed subject to a $1,200 limit per eligible retiree for any calendar year. Substantially all of the Institute's employees may become eligible for those benefits when they retire and reach normal retirement age. Included in accrued expenses is a postretirement medical liability of $625,403 and $612,330 for the fiscal years 2024 and 2023, respectively. For the years ended June 30, 2024 and 2023, approximately $26,673 of postretirement benefit expense was recognized. Payments of $13,600 and $15,800 were made to beneficiaries in fiscal years 2024 and 2023, respectively. This Plan is no longer applicable to new employees who began their employment on or after January 1, 2012.