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CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.

FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.

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Independent Auditors' Report

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

Report on the Financial Statements

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, 2019 and 2018, and the related statements of activities and changes in net assets and cash flows for the years then ended, the statement of functional expenses for the year ended June 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2019 and 2018, 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.

Change in Accounting Principle

As discussed in Note 1, during the year ended June 30, 2019, Cary Institute of Ecosystem Studies, Inc., adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 29, 2019 on our consideration of Cary Institute of Ecosystem Studies, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
October 29, 2019

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 1,718,427	$ 1,013,442
Investments	128,952,002	127,001,472
Grants and contracts receivable	1,304,120	1,234,405
Pledges receivable	605,000	2,145,000
Other assets	297,823	310,499
Property and equipment, net	7,662,993	7,396,146
Total Assets	$ 140,540,365	$ 139,100,964
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 268,043	$ 87,920
Deferred revenue	309,855	515,842
Accrued vacation	614,628	603,202
Post-retirement benefits	545,427	529,915
Capital lease obligation	27,748	14,072
Total liabilities	1,765,701	1,750,951
Net Assets		
Without donor restrictions	32,920,519	30,906,442
With donor restrictions	105,854,145	106,443,571
Total net assets	138,774,664	137,350,013
Total Liabilities and Net Assets	$ 140,540,365	$ 139,100,964

The accompanying notes are an integral part of the financial statements

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Government grants and contracts	$ 5,335,052	$ -	$ 5,335,052
Private grants and contributions	1,994,652	1,000,958	2,995,610
Other income	148,785	-	148,785
Auxiliary enterprises	148,115	-	148,115
Tuition and fees	43,418	-	43,418
Investment return designated for operations	-	5,523,210	5,523,210
Net assets released from restrictions	7,470,263	(7,470,263)	-
Total operating revenues	15,140,285	(946,095)	14,194,190
Operating Expenses			
Program services:			
Science	9,153,932	-	9,153,932
Education	1,172,406	-	1,172,406
Auxiliary enterprises	418,730	-	418,730
Outreach, public programs and visitation	413,288	-	413,288
Library	272,963	-	272,963
Grounds	282,715	-	282,715
Total program services	11,714,034	-	11,714,034
Supporting services:			
Finance and administration	1,710,418	-	1,710,418
Executive management	359,921	-	359,921
Development	612,990	-	612,990
Total supporting services	2,683,329	-	2,683,329
Total operating expenses	14,397,363	-	14,397,363
Change in net assets from operations	742,922	(946,095)	(203,173)
Other Changes in Net Assets			
Investment gain, net in excess of amounts designated for operations	1,271,155	356,669	1,627,824
Increase (Decrease) in Net Assets	2,014,077	(589,426)	1,424,651
Net Assets - Beginning of Year	30,906,442	106,443,571	137,350,013
Net Assets - End of Year	$ 32,920,519	$ 105,854,145	$ 138,774,664

The accompanying notes are an integral part of the financial statements

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Government grants and contracts	$ 5,125,343	$ -	$ 5,125,343
Private grants and contributions	1,435,160	1,345,666	2,780,826
Other income	136,316	-	136,316
Auxiliary enterprises	139,580	-	139,580
Tuition and fees	41,428	-	41,428
Investment return designated for operations	-	5,355,480	5,355,480
Net assets released from restrictions	7,076,883	(7,076,883)	-
Total operating revenues	13,954,710	(375,737)	13,578,973
Operating Expenses			
Program services:			
Science	8,260,713	-	8,260,713
Education	851,759	-	851,759
Auxiliary enterprises	482,342	-	482,342
Outreach, public programs and visitation	348,376	-	348,376
Library	329,576	-	329,576
Grounds	235,174	-	235,174
Total program services	10,507,940	-	10,507,940
Supporting services:			
Finance and administration	1,609,359	-	1,609,359
Executive management	524,969	-	524,969
Development	526,448	-	526,448
Total supporting services	2,660,776	-	2,660,776
Total operating expenses	13,168,716	-	13,168,716
Change in net assets from operations	785,994	(375,737)	410,257
Other Changes in Net Assets			
Investment gain, net in excess of amounts designated for operations	1,290,040	3,573,197	4,863,237
Increase in Net Assets	2,076,034	3,197,460	5,273,494
Net Assets - Beginning of Year	28,830,408	103,246,111	132,076,519
Net Assets - End of Year	$ 30,906,442	$ 106,443,571	$ 137,350,013

The accompanying notes are an integral part of the financial statements

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	Program Services	Management and General	Fundraising	2019 Total	2018 Total
Expenses					
Salaries	$ 4,979,109	$ 1,112,469	$ 366,875	$ 6,458,453	$ 6,224,369
Benefits and taxes	1,579,546	386,160	125,228	2,090,934	1,953,612
Subcontracts	2,042,496	-	-	2,042,496	1,529,612
Outside services	1,143,193	194,686	19,128	1,357,007	1,292,389
Depreciation and amortization	529,637	23,404	5,002	558,043	478,168
Supplies	332,252	55,002	5,580	392,834	372,419
Vehicle and travel expenses	363,575	12,938	8,830	385,343	506,481
Miscellaneous	247,562	28,053	9,722	285,337	60,712
Printing and publications	173,853	1,181	10,767	185,801	164,876
Insurance	-	161,410	-	161,410	147,625
Occupancy	121,530	5,422	1,123	128,075	118,197
Fellowships	116,127	-	-	116,127	108,349
Conferences and meetings	58,178	2,249	54,052	114,479	85,035
Accounting services	-	67,200	3,055	70,255	74,055
Telephone	21,649	11,630	51	33,330	32,423
Postage	3,652	2,925	3,577	10,154	10,713
Legal	-	5,610	-	5,610	4,915
Interest and fees	1,675	-	-	1,675	4,766
Total Expenses	$ 11,714,034	$ 2,070,339	$ 612,990	$ 14,397,363	$ 13,168,716

The accompanying notes are an integral part of the financial statements

CARY INSTITUTE OF ECOSYSTEM STUDIES, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities		
Increase in net assets	$ 1,424,651	$ 5,273,494
Adjustments to reconcile increase in net assets to net cash used in operating activities:		
Depreciation and amortization	558,043	478,168
Gain on disposal of property and equipment	(5,236)	-
Donated property and equipment	(228,752)	-
Realized and unrealized gains on investments, net	(7,619,108)	(11,103,226)
(Increase) decrease in operating assets:		
Grants and contracts receivable	(69,715)	81,547
Pledges receivable	1,539,663	509,243
Other assets	12,676	(34,773)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	180,123	(214,416)
Deferred revenue	(205,987)	287,444
Accrued vacation	11,426	64,492
Post-retirement benefits	15,512	17,212
Net cash used in operating activities	(4,386,704)	(4,640,815)
Cash Flows from Investing Activities		
Proceeds from sale of investments	26,882,330	11,431,793
Purchase of investments	(21,213,752)	(6,195,880)
Purchase of property and equipment	(569,004)	(1,296,238)
Net cash provided by investing activities	5,099,574	3,939,675
Cash Flows from Financing Activities		
Proceeds from contributions to endowment	337	5,757
Payments on capital lease obligation	(8,222)	(8,096)
Net cash used in financing activities	(7,885)	(2,339)
Increase (Decrease) in Cash and Cash Equivalents	704,985	(703,479)
Cash and Cash Equivalents - Beginning of Year	1,013,442	1,716,921
Cash and Cash Equivalents - End of Year	$ 1,718,427	$ 1,013,442
Cash Paid During the Year for Interest	$ 1,675	$ 1,675
Noncash Investing and Financing Activities		
Property and equipment acquired with financing	$ 21,898	$ -

The accompanying notes are an integral part of the 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 not-for-profit 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.

Change in Accounting Principle

In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendment changes the previous reporting model for nonprofit organizations and enhances the disclosure requirements. The major changes include: (a) requiring the presentation of only two classes of net assets rather than three, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement or in the notes, and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal investments expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. This ASU is effective for annual periods beginning after December 15, 2017. Management has adopted ASU 2016-14 for the year ended June 30, 2019. The amendments have been retrospectively applied, with the exception of a statement of functional expenses and disclosures on liquidity and availability of resources for the year ended June 30, 2018.

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.

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.

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 and the post-retirement medical liability.

Cash and Cash Equivalents

Cash equivalents are defined as highly liquid investments with original maturities of 90 days or less. As of June 30, 2019 and 2018, endowed cash of $915,261 and $631,176, 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.

Grants and Contracts

Other than certain awards to fund capital expenditures, governmental grants and contracts are generally considered to be exchange transactions rather than contributions. Revenue from cost-reimbursement grants and contracts is recognized to the extent of costs incurred. Revenue from performance-based grants and contracts is recognized to the extent of performance achieved. Grant and contract receipts in excess of revenue recognized are presented as deferred revenue.

Contributions

Unconditional contributions are recognized when pledged or received, as applicable, and are considered to be available for unrestricted use unless specifically restricted by the donor. The Institute reports nongovernmental contributions and grants 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 statement of activities and changes in net assets as net assets released from restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement 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 Code) and is exempt from federal income tax under Section 501(a) of the Code; however, the Institute is subject to federal income tax on any unrelated business taxable income.

Reclassifications

Certain amounts on the financial statements as of June 30, 2018 have been reclassified to conform to the current year presentation.

Subsequent Events

In preparing these financial statements, management has evaluated subsequent events through October 29, 2019, 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.

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 as 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
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
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.

Equity
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 are 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 over the relevant broad market indices (i.e., the S&P 500, the Russell 1000, MSCI EAFE and MSCI World), net of fees, over full market cycles (5-10 years). The redemption period for these investments ranges from daily to semiannually, with 0-30 days' notice and varying lockup periods.

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 hedge" strategies. Absolute return strategies typically involve event-driven, stressed and distressed credit, and spread-based arbitrage investments. Absolute return strategies tend to be both flexible and opportunistic. They incorporate differentiated drivers of return compared to traditional investment strategies, and, as a result, they are expected to produce returns that exhibit relatively low correlation to broad market indices over longer time horizons. Equity hedge managers typically make both long and short investments and produce returns that can be expected to correlate more closely with the performance of the equity markets than would the performance of the absolute return strategies, though with lower volatility than traditional "long only" equity managers. Investments in alternative assets are generally subject to an initial lockup of 12-24 months or longer and thereafter investors can typically withdraw quarterly or annually with advance notice. The managers' underlying investments may themselves be less liquid, but the investment cycle is substantially shorter than for private equity. Over time, alternative assets should generate equity-like returns with lower volatility than equity markets.

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. Real asset strategies tend to be utilized to diversify portfolio risk. They incorporate differentiated drivers of return compared to traditional investment strategies, and, as a result, they are expected to produce returns that exhibit relatively low correlation to broad market indices over longer time horizons.

Hybrid
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. This investment class seeks to capitalize on opportunistic investments across the credit spectrum.

Private Investments
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 investments generally have 4- to 6-year investment periods and approximately 10-year fund lives. Private investments are expected to generate higher returns than public market strategies. The performance of funds raised and managed by the same team following similar strategies can vary significantly from one period to the next. Thus, investment in this asset class requires diversification across not only managers, strategies and geographies but also "vintage years."

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

There have been no changes in the methodologies used at June 30, 2019 and 2018.

The following is a summary of the source of fair value measurements for assets as of June 30, 2019 and 2018:

	2019				
		Assets Measured at Net Asset	Source of Fair Value Inputs		
Description	**June 30**	**Value (a)**	**Level 1**	**Level 2**	**Level 3**
Money market funds	$ 5,452,807	$ -	$ 5,452,807	$ -	$ -
Fixed income:					
Domestic	27,262,414	5,500,506	21,761,908	-	-
Equity:					
Global equity - managed	34,819,841	24,705,943	10,113,898	-	-
Domestic equity - managed	13,381,702	13,381,702	-	-	-
Emerging equities - managed	6,333,303	6,333,303	-	-	-
Alternative assets:					
Absolute return	17,210,053	17,210,053	-	-	-
Equity hedge	7,409,462	7,409,462	-	-	-
Real assets	3,049,255	3,049,255	-	-	-
Hybrid	3,100,157	3,100,157	-	-	-
Private investments:					
Fund of funds	9,594,927	9,594,927	-	-	-
Buyout/growth	1,301,628	1,301,628	-	-	-
Investments managed by others	36,453	-	-	36,453	-
Total Assets at Fair Value	$ 128,952,002	$ 91,586,936	$ 37,328,613	$ 36,453	$ -

	2018				
		Assets Measured at Net Asset	Source of Fair Value Inputs		
Description	June 30	Value (a)	Level 1	Level 2	Level 3
Money market funds	$ 7,634,365	$ -	$ 7,634,365	$ -	$ -
Fixed income:					
Domestic	27,641,279	5,072,862	22,568,417	-	-
Equity:					
Global equity - managed	35,675,578	25,709,695	9,965,883	-	-
Domestic equity - managed	10,777,898	10,777,898	-	-	-
Emerging equities - managed	5,410,320	5,410,320	-	-	-
Alternative assets:					
Absolute return	17,132,572	17,132,572	-	-	-
Equity hedge	7,285,234	7,285,234	-	-	-
Real assets	2,759,295	2,759,295	-	-	-
Hybrid	2,964,125	2,964,125	-	-	-
Private investments:					
Fund of funds	8,397,388	8,397,388	-	-	-
Buyout/growth	1,323,418	1,323,418	-	-	-
Total Assets at Fair Value	$ 127,001,472	$ 86,832,807	$ 40,168,665	$ -	$ -

(a) Certain investments that are measured at fair value using the net asset value 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, 2019 and 2018.

Additional information regarding investments that report fair value based on net asset value per share or unit as of June 30, 2019 is as follows:

Description	Fair Value	Unfunded Commitments	Redemption Terms	Redemption Restrictions
Fixed income - domestic	$ 5,500,506	$ -	Daily	0 days' notice
Global equity - managed	24,705,943	-	Quarterly, semiannually,	30 days' notice
Domestic equity - managed	13,381,702	-	Daily	0 days' notice
Emerging equities - managed	6,333,303	-	Annually expiring and every 5th anniversary expiring 6/30/2023	90 days' notice
Absolute return	17,210,053	-	Quarterly, semi-annually and biannually	60-65 days' notice
Equity hedge	7,409,462	-	Monthly and every third anniversary expiring 1/1/2022 and 4/1/2022	60-180 days' notice
Real assets	3,049,255	4,635,000	Illiquid	Illiquid
Hybrid	3,100,157	1,448,217	Illiquid	Illiquid
Fund of funds	9,594,927	3,086,250	Illiquid	Illiquid
Buyout/growth	1,301,628	66,186	Illiquid	Illiquid
Total	$ 91,586,936	$ 9,235,653		

Financial Instruments Not Measured at Fair Value

The carrying amounts of cash and cash equivalents, grants and contracts receivable, pledges receivable and accounts payable and accrued expenses approximate their fair value because of the short-term nature of these instruments.

NOTE 3 - GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following at June 30, 2019 and 2018:

	2019	2018
Government agencies (primarily federal agencies)	$ 1,057,932	$ 907,165
University and other research institutions	224,555	270,056
Foundations	21,633	57,184
	$ 1,304,120	$ 1,234,405

The Institute has been awarded approximately $10.4 million and $10 million in grants and contracts that have not been advanced or expended as of June 30, 2019 and 2018, respectively, and, accordingly, are not recognized in the financial statements.

At June 30, 2019 and 2018, grant proceeds in the amount of $258,898 and $465,556, 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, 2019 and 2018 are expected to be collected as follows:

	2019	2018
Receivable in less than one year	$ 535,000	$ 1,540,000
Receivable in one to five years	70,000	605,000
	$ 605,000	$ 2,145,000

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2019 and 2018:

	2019	2018
Land	$ 2,808,120	$ 2,601,368
Land improvements	1,039,289	1,002,996
Buildings	8,661,806	8,668,579
Building improvements	6,128,143	5,292,295
Equipment, furniture and fixtures	3,928,471	3,657,514
Construction in progress	10,500	758,589
	22,576,329	21,981,341
Less accumulated depreciation and amortization	14,913,336	14,585,195
Property and Equipment, Net	$ 7,662,993	$ 7,396,146

Depreciation and amortization expense was $558,043 and $478,168 for the years ended June 30, 2019 and 2018, respectively.

NOTE 6 - LEASE COMMITMENT

Capital Lease

The Institute entered into a capital lease for a copier expiring in July 2024. The lease agreement requires monthly principal and interest payments of $134. The Institute also entered into a postage lease agreement expiring June 2024. The lease agreement requires monthly principal and interest payments of $229. The Institute also entered into a vehicle lease agreement for four vehicles expiring April 2021. The lease agreement requires monthly principal and interest payments of $66 for each vehicle, with a payout option at the end of the lease of $57 for each vehicle.

The following is a summary of property under capital lease as of June 30, 2019 and 2018:

	2019	2018
Equipment	$ 38,337	$ 41,937
Less accumulated amortization	10,589	27,865
Net Equipment Under Capital Lease	$ 27,748	$ 14,072

Amortization expense relative to the above property is included in depreciation and amortization expense as disclosed in Note 5.

At June 30, 2019, minimum future payments under the capital leases were as follows:

Year Ending June 30	
2020	$ 7,541
2021	7,014
2022	4,353
2023	4,353
2024	4,353
Thereafter	134
Total	$ 27,748

NOTE 7 - 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:

Cash and cash equivalents	$ 236,296
Investments	9,239,422
Grants and contracts receivable	1,304,120
Pledges receivable	535,000
Other assets	54,241
Financial assets available within one year	11,369,079
Board-authorized endowment draw for fiscal year 2020	5,590,994
Total Financial Assets Available to Management for General Expenditure Within One Year	$ 16,960,073

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 $15,445,566. 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 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or time periods at June 30, 2019 and 2018:

	2019	2018
Endowment restricted in perpetuity	$ 80,485,606	$ 80,485,269
Accumulated gains and income on endowment assets available for appropriation by the Board of Trustees	22,717,209	22,370,580
Time restrictions:		
Future periods	105,000	140,000
Manglesdorf Trust	82,367	78,675
Purpose restrictions:		
Lyme disease research	939,431	1,954,967
Science Innovation Fund	666,887	-
Urban ecology research	335,518	827,319
Strategic planning	290,775	377,830
Forest ecology research	130,170	143,197
Science and education initiatives	86,803	52,000
Program initiatives	14,379	13,734
	$ 105,854,145	$ 106,443,571

NOTE 9 - 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, 2019 and 2018:

	2019	2018
Board appropriations of accumulated gains and income	$ 5,523,210	$ 5,355,480
Lyme disease research	1,303,276	1,599,620
Urban ecology research	493,117	73,693
Science and education initiatives	70,534	-
Passage of time	35,000	35,000
Science Innovation Fund	32,100	-
Forest ecology research	13,026	13,090
	$ 7,470,263	$ 7,076,883

NOTE 10 - ENDOWMENT

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

Endowment net asset composition by type of fund as of June 30, 2019 and 2018 is as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 15,445,566	$ -	$ 15,445,566
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	80,485,606	80,485,606
The portion of perpetual endowment funds subject to a time restriction under UPMIFA	-	22,717,209	22,717,209
Total	$ 15,445,566	$ 103,202,815	$ 118,648,381

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	$ 14,418,567	$ -	$ 14,418,567
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	80,485,269	80,485,269
The portion of perpetual endowment funds subject to a time restriction under UPMIFA	-	22,370,580	22,370,580
Total	$ 14,418,567	$ 102,855,849	$ 117,274,416

Changes in endowment net assets for the years ended June 30, 2019 and 2018, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - June 30, 2017	$ 14,343,179	$ 99,279,266	$ 113,622,445
Investment return, net	1,435,659	9,840,808	11,276,467
Contributions	-	757	757
Endowment assets appropriated for expenditure	(1,422,507)	(5,355,480)	(6,777,988)
Management fees	(134,375)	(909,502)	(1,043,876)
Additional board designation	196,611	-	196,611
Endowment net assets - June 30, 2018	14,418,567	102,855,849	117,274,416
Investment return, net	828,027	5,869,839	6,697,866
Contributions	-	337	337
Endowment assets appropriated for expenditure	-	(5,523,210)	(5,523,210)
Additional board designation	198,972	-	198,972
Endowment Net Assets - June 30, 2019	$ 15,445,566	$ 103,202,815	$ 118,648,381

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 UPMIFA 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, 2019 and 2018.

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 $5,523,210 and $5,355,480 for the years ended June 30, 2019 and 2018, 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. During the year ended June 30, 2017, the Board appropriated an additional $5 million from the unrestricted endowment to support strategic planning, of which the remaining $1,422,507 was drawn during the year ended June 30, 2018.

NOTE 11 - 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, 2019 and 2018, were $543,134 and $488,046, respectively.

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 NYC daycare centers.

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 2019 and 2018, 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 $117,322 and $104,332 for the years ended June 30, 2019 and 2018, 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 3 months of service and attainment of age 21. The requirement for all participants to contribute at least 2% of their salary on either an after-tax basis or a pre-tax basis was eliminated as of January 1, 2017. The employer may make matching contributions to the 401(k) plan; however, as specified in the current Collective Bargaining Agreement, the match has been suspended until further notice. 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 $15,389 and $15,697 for the years ended June 30, 2019 and 2018, 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 reach normal retirement age. Included in accrued expenses is a postretirement medical liability of $545,427 and $529,915 for the fiscal years 2019 and 2018, respectively. For the years ended June 30, 2019 and 2018, approximately $27,712 of postretirement benefit expense was recognized. Payments of $12,200 and $10,570 were made to beneficiaries in fiscal years 2019 and 2018, respectively. This Plan is no longer applicable to new employees who began their employment on or after January 1, 2012.