

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**For the Years Ended
June 30, 2015 and 2014**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Audubon Canyon Ranch, Inc.
Stinson Beach, California

We have audited the accompanying financial statements of Audubon Canyon Ranch, Inc. (a California nonprofit public benefit corporation), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, 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.

Auditor's 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. Those standards require that we plan and perform the audits 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 auditor's 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 auditor considers 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 Audubon Canyon Ranch, Inc. as of June 30, 2015 and 2014, 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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Doran & Associates

February 27, 2016

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

| | 2015 | 2014 |
|--|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents (Note 1) | \$ 1,448,931 | \$ 1,034,796 |
| Restricted cash (Note 1) | 73,431 | 55,321 |
| Pledges, grants, and bequests receivable (Note 1) | 9,023 | 14,437 |
| Accounts receivable (Note 1) | 6,769 | 8,579 |
| Inventory (Note 2) | 22,679 | 26,472 |
| Prepaid expenses | <u>61,441</u> | <u>31,951</u> |
| Total current assets | 1,622,274 | 1,171,556 |
| Endowment investments (Note 3) | 27,246,409 | 29,396,737 |
| Remainder interest in trusts, at present value (Note 4) | 79,758 | 83,648 |
| Property, equipment and improvements, net of accumulated depreciation of \$3,392,984 at 2015 and \$3,251,756 at 2014 (Notes 1 and 5) | <u>10,418,988</u> | <u>10,311,780</u> |
| Total assets | <u>\$ 39,367,429</u> | <u>\$ 40,963,721</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | <u>\$ 190,364</u> | <u>\$ 232,051</u> |
| Total liabilities | <u>190,364</u> | <u>232,051</u> |
| Net assets: | | |
| Unrestricted | 12,846,901 | 13,700,404 |
| Temporarily restricted (Note 6) | 7,526,624 | 8,229,751 |
| Permanently restricted (Note 3) | <u>18,803,540</u> | <u>18,801,515</u> |
| Total net assets | <u>39,177,065</u> | <u>40,731,670</u> |
| Total liabilities and net assets | <u>\$ 39,367,429</u> | <u>\$ 40,963,721</u> |

The accompanying notes are an integral part of these financial statements.

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF ACTIVITIES
For the year ended June 30, 2015

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|---------------------|---------------------------|---------------------------|----------------------|
| SUPPORT, REVENUE AND TRANSFERS | | | | |
| Public support: | | | | |
| Gifts and bequests | \$ 350,991 | \$ 99,058 | \$ 2,025 | \$ 452,074 |
| Grants | 241,804 | - | - | 241,804 |
| In-kind services (Note 7) | 6,996 | - | - | 6,996 |
| Total public support | <u>599,791</u> | <u>99,058</u> | <u>2,025</u> | <u>700,874</u> |
| Revenue: | | | | |
| Endowment income transfers (Note 3) | 2,395,076 | - | - | 2,395,076 |
| Special event earned income, net of direct expenses of \$7,839 (Note 8) | (7,639) | - | - | (7,639) |
| Loss on disposal of fixed assets (Note 5) | (37,124) | - | - | (37,124) |
| Bookstore sales, net | 1,410 | - | - | 1,410 |
| Other revenue | 17,081 | - | - | 17,081 |
| Total revenue | <u>2,368,804</u> | <u>-</u> | <u>-</u> | <u>2,368,804</u> |
| Net assets released from restriction (Note 9) | <u>196,150</u> | <u>(196,150)</u> | <u>-</u> | <u>-</u> |
| Total public support, revenue and transfers | <u>3,164,745</u> | <u>(97,092)</u> | <u>2,025</u> | <u>3,069,678</u> |
| EXPENSES | | | | |
| Program services (see Note 7) | 1,878,550 | - | - | 1,878,550 |
| General and administrative | 503,273 | - | - | 503,273 |
| Fundraising | 377,645 | - | - | 377,645 |
| Total expenses | <u>2,759,468</u> | <u>-</u> | <u>-</u> | <u>2,759,468</u> |
| Change in net assets from operations | 405,277 | (97,092) | 2,025 | 310,210 |
| OTHER INCOME (EXPENSE) | | | | |
| Endowment income, net of transfers (Note 3) | <u>(1,258,780)</u> | <u>(606,035)</u> | <u>-</u> | <u>(1,864,815)</u> |
| Change in net assets | (853,503) | (703,127) | 2,025 | (1,554,605) |
| Net assets, beginning of year | <u>13,700,404</u> | <u>8,229,751</u> | <u>18,801,515</u> | <u>40,731,670</u> |
| Net assets, end of year | <u>\$12,846,901</u> | <u>\$ 7,526,624</u> | <u>\$18,803,540</u> | <u>\$ 39,177,065</u> |

The accompanying notes are an integral part of these financial statements.

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF ACTIVITIES (CONTINUED)
For the year ended June 30, 2014

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---------------------|---------------------------|---------------------------|----------------------|
| SUPPORT, REVENUE AND TRANSFERS | | | | |
| Public support: | | | | |
| Gifts and bequests | \$ 2,507,997 | \$ 130,049 | \$ 1,500 | \$ 2,639,546 |
| Grants | 147,080 | 140,000 | - | 287,080 |
| In-kind land, building, and services (Note 7) | <u>485,657</u> | <u>-</u> | <u>-</u> | <u>485,657</u> |
| Total public support | <u>3,140,734</u> | <u>270,049</u> | <u>1,500</u> | <u>3,412,283</u> |
| Revenue: | | | | |
| Endowment income transfers (Note 3) | 1,974,131 | - | - | 1,974,131 |
| Special event earned income, net of direct expenses of \$66,130 (Note 8) | 9,651 | - | - | 9,651 |
| Loss on disposal of fixed assets (Note 5) | (88,714) | - | - | (88,714) |
| Bookstore sales, net | 892 | - | - | 892 |
| Contract revenue | 47,475 | - | - | 47,475 |
| Other revenue | <u>27,105</u> | <u>-</u> | <u>-</u> | <u>27,105</u> |
| Total revenue | <u>1,970,540</u> | <u>-</u> | <u>-</u> | <u>1,970,540</u> |
| Net assets released from restriction (Note 9) | <u>222,092</u> | <u>(222,092)</u> | <u>-</u> | <u>-</u> |
| Total public support, revenue and transfers | <u>5,333,366</u> | <u>47,957</u> | <u>1,500</u> | <u>5,382,823</u> |
| EXPENSES | | | | |
| Program services (see Note 7) | 1,769,183 | - | - | 1,769,183 |
| General and administrative | 521,239 | - | - | 521,239 |
| Fundraising | <u>373,315</u> | <u>-</u> | <u>-</u> | <u>373,315</u> |
| Total expenses | <u>2,663,737</u> | <u>-</u> | <u>-</u> | <u>2,663,737</u> |
| Change in net assets from operations | 2,669,629 | 47,957 | 1,500 | 2,719,086 |
| OTHER INCOME (EXPENSE) | | | | |
| Endowment income, net of transfers (Note 3) | <u>126,817</u> | <u>2,063,838</u> | <u>-</u> | <u>2,190,655</u> |
| Change in net assets | 2,796,446 | 2,111,795 | 1,500 | 4,909,741 |
| Net assets, beginning of year | <u>10,903,958</u> | <u>6,117,956</u> | <u>18,800,015</u> | <u>35,821,929</u> |
| Net assets, end of year | <u>\$13,700,404</u> | <u>\$ 8,229,751</u> | <u>\$18,801,515</u> | <u>\$ 40,731,670</u> |

The accompanying notes are an integral part of these financial statements.

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2015 and 2014

| | 2015 | 2014 |
|--|-----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | <u>\$ (1,554,605)</u> | <u>\$ 4,909,741</u> |
| Adjustments to reconcile change in net assets to net cash (used) provided by operating activities: | | |
| Depreciation and amortization | 198,960 | 160,271 |
| Donation of land and buildings | - | (460,000) |
| Loss on disposal of fixed assets | 37,124 | 88,714 |
| Realized gain on investments | (875,232) | (454,639) |
| Unrealized loss (gain) on investments | 1,105,669 | (3,059,874) |
| Changes in assets and liabilities: | | |
| Pledges, grants and bequests receivable | 5,414 | 27,355 |
| Accounts receivable | 1,810 | 16,088 |
| Inventory | 3,793 | 2,463 |
| Prepaid expenses | (29,490) | 882 |
| Life income gifts and remainder interest in trusts | 3,890 | (5,301) |
| Accounts payable and accrued expenses | (41,687) | (82,294) |
| Total adjustments | <u>410,251</u> | <u>(3,766,335)</u> |
| Net cash (used) provided by operating activities | <u>(1,144,354)</u> | <u>1,143,406</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Restricted cash | (18,110) | 78,145 |
| Purchases of endowment investments | - | (135,156) |
| Sales / withdrawals of endowment investments | 1,919,891 | - |
| Work in progress | - | 66,490 |
| Purchase of property, equipment and improvements | (343,292) | (735,714) |
| Net cash provided (used) by investing activities | <u>1,558,489</u> | <u>(726,235)</u> |
| Net increase in cash and cash equivalents | 414,135 | 417,171 |
| Cash and cash equivalents, beginning of year | <u>1,034,796</u> | <u>617,625</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,448,931</u> | <u>\$ 1,034,796</u> |
| Non-cash transactions: | | |
| Donation of marketable securities | <u>\$ 3,112</u> | <u>\$ 15,807</u> |
| Donation of land and buildings | <u>\$ -</u> | <u>\$ 460,000</u> |

The accompanying notes are an integral part of these financial statements.

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Audubon Canyon Ranch, Inc. (hereafter ACR, or the Corporation), a California nonprofit public benefit corporation, is a system of wildlife sanctuaries and centers of nature education in the counties of Marin and Sonoma, California. ACR has five primary properties: the Martin Griffin Preserve (formerly the Bolinas Lagoon Preserve), Bouverie Preserve, Cypress Grove Research Center, Mayacamas Mountain Sanctuary, Modini-Ingalls Ecological Preserve, and a number of other properties in Marin and Sonoma Counties. Audubon Canyon Ranch protects the natural resources of its sanctuaries while fostering an understanding and appreciation of these environments. We educate children and adults, promote ecological literacy that is grounded in direct experience and conduct research and restoration that advances conservation science.

ACR receives the majority of its support and revenue from public and private contributions and earnings from fund investments.

Basis of Presentation - Resources are classified for accounting and reporting purposes into three classes of net assets, according to externally imposed restrictions:

Unrestricted net assets - Net assets that are not subject to any donor-imposed restrictions.

Temporarily restricted net assets - Net assets resulting (a) from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Corporation pursuant to those stipulations, (b) from other asset enhancements and diminishments that are subject to the same kind of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of the Corporation pursuant to those stipulations.

Permanently restricted net assets - Net assets resulting (a) from contributions and other inflows of assets whose use by the Corporation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Corporation, (b) from other asset enhancements and diminishments that are subject to the same kinds of stipulations, and (c) from reclassification from (or to) other classes of net assets as a consequence of donor-imposed stipulations.

Method of Accounting - The financial statements of the Corporation are prepared using the accrual basis of accounting, which reflects revenue when earned and expenses as incurred.

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Not included in cash and cash equivalents is cash restricted for use by donor instruction, which was \$73,431 at June 30, 2015, and \$55,321 at June 30, 2014.

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions - Contributions are recognized when the donor makes a promise to give to the Corporation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets:

Property, Equipment and Improvements - The Corporation records property and equipment in excess of \$2,000 at cost of acquisition or, if donated, fair market value at date of donation. Depreciation is recognized using the straight-line method over the useful lives of the assets, which range from 5 to 39 years for buildings and 5 to 10 years for equipment.

The Corporation reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the rental property and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. Because of the analysis of impairment, a building scheduled for demolition valued at \$85,000 was written-off during the year ended June 30, 2014.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes - The Corporation is exempt from federal and state taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code, and is considered by the IRS to be an organization other than a private foundation. In the opinion of management, there is no unrelated business income.

Accounts, Pledges, Grants, and Bequests Receivable - It is the practice of the Corporation to expense uncollectibles only after exhausting all efforts to collect the amounts due. There is no allowance for doubtful accounts and management believes all amounts will be collected in full.

ASC 740-10, Accounting for Uncertainty in Income Taxes - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Corporation to report information regarding its exposure to various tax positions taken by the Corporation. The Corporation has determined whether any tax positions have met the recognition threshold and have measured the Corporation's exposure to those tax positions. Management believes that the Corporation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Corporation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Subsequent Events - Subsequent events have been evaluated through February 27, 2016, which is the date the financial statements were available to be issued.

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 2 INVENTORY

Bookstore inventory items are held for resale and are stated at the lower of cost or market and determined on a first-in, first-out basis. Inventory at June 30, 2015 and 2014, totaled \$22,679 and \$26,472, respectively.

NOTE 3 ENDOWMENT INVESTMENTS AND PERMANENTLY RESTRICTED NET ASSETS

Endowment investments consist of two components:

- *Permanently Restricted Endowment Investments* representing the historic dollar value of contributions restricted by donors for permanent investment.
- *Board Designated Endowment Investments* representing funds allocated to the endowment by the Corporation's Board of Directors.

The following are the major categories of marketable equity securities measured at fair value on a recurring basis during the years ended June 30, 2015 and 2014, using quoted prices in active markets for identified assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

Fair Value Measurements at June 30, 2015, Using

| <u>Description</u> | <u>Quoted Price in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | <u>Total</u> |
|--------------------|--|--|--|----------------------|
| Equity securities | \$ 8,821,960 | \$ - | \$ - | \$ 8,821,960 |
| Fixed income | 9,530,155 | - | - | 9,530,155 |
| Other | 8,894,294 | - | - | 8,894,294 |
| | <u>\$ 27,246,409</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 27,246,409</u> |

Fair Value Measurements at June 30, 2014, Using

| <u>Description</u> | <u>Quoted Price in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | <u>Total</u> |
|--------------------|--|--|--|----------------------|
| Equity securities | \$ 9,642,144 | \$ - | \$ - | \$ 9,642,144 |
| Fixed income | 10,475,125 | - | - | 10,475,125 |
| Other | 9,279,468 | - | - | 9,279,468 |
| | <u>\$ 29,396,737</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 29,396,737</u> |

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 3 ENDOWMENT INVESTMENTS AND PERMANENTLY RESTRICTED NET ASSETS
(Continued)

The following summarizes the investment income (loss), including operating account activity, during the years ended June 30, 2015 and 2014:

| | 2015 | 2014 |
|------------------------------|-------------|--------------|
| Realized gain | \$ 875,232 | \$ 454,639 |
| Unrealized (loss) gain | (1,105,669) | 3,059,874 |
| Interest and dividend income | 846,752 | 737,823 |
| Investment management fees | (86,054) | (87,550) |
| | \$ 530,261 | \$ 4,164,786 |

Investment income is presented as follows on the Statements of Activities for the years ended June 30, 2015 and 2014:

| | 2015 | 2014 |
|---|--------------|--------------|
| Endowment income transfers | \$ 2,395,076 | \$ 1,974,131 |
| Endowment income (loss), net of transfers | (1,864,815) | 2,190,655 |
| | \$ 530,261 | \$ 4,164,786 |

ACR's endowment consists of two investment accounts containing cash and cash equivalents, bonds, and equities established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Law - The Board of Directors of ACR has interpreted the California State Prudent Management of Institutional Funds Act (SPMIFA) as requiring, absent explicit donor stipulations to the contrary, the appropriation for expenditures or accumulation of so much of the donor-restricted endowment fund as the Board determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. Consistent with this interpretation, ACR has classified as permanently restricted net assets of the donor-restricted endowment fund, (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, if applicable. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 3 ENDOWMENT INVESTMENTS AND PERMANENTLY RESTRICTED NET ASSETS
(Continued)

Interpretation of Law (Continued) - In accordance with SPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purpose of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|--------------|---------------------------|---------------------------|---------------|
| <u>Endowment Net Asset Composition by Type of Fund as of:</u> | | | | |
| <u>June 30, 2015</u> | | | | |
| Donor-restricted endowment funds | \$ - | \$ 5,217,694 | \$ 14,118,540 | \$ 19,336,234 |
| Board-designated endowment funds | 8,699,008 | - | - | 8,699,008 |
| Total funds | \$ 8,699,008 | \$ 5,217,694 | \$ 14,118,540 | \$ 28,035,242 |
| Cash and cash equivalents | \$ - | \$ 788,833 | \$ - | \$ 788,833 |
| Endowment investments | 8,699,008 | 4,428,861 | 14,118,540 | 27,246,409 |
| | \$ 8,699,008 | \$ 5,217,694 | \$ 14,118,540 | \$ 28,035,242 |
| <u>June 30, 2014</u> | | | | |
| Donor-restricted endowment funds | \$ - | \$ 5,823,730 | \$ 14,116,515 | \$ 19,940,245 |
| Board-designated endowment funds | 9,874,936 | - | - | 9,874,936 |
| Total funds | \$ 9,874,936 | \$ 5,823,730 | \$ 14,116,515 | \$ 29,815,181 |
| Cash and cash equivalents | \$ - | \$ 418,444 | \$ - | \$ 418,444 |
| Endowment investments | 9,874,936 | 5,405,286 | 14,116,515 | 29,396,737 |
| | \$ 9,874,936 | \$ 5,823,730 | \$ 14,116,515 | \$ 29,815,181 |

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 3 ENDOWMENT INVESTMENTS AND PERMANENTLY RESTRICTED NET ASSETS
(Continued)

Changes in Endowment Net Assets for the Fiscal Years Ended June 30, 2015 and 2014

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|-----------------------------------|--------------------|
| Endowment net assets, June 30, 2013 | \$ 7,902,747 | \$ 3,759,892 | \$ 14,115,015 | \$ 25,777,654 |
| Investment return: | | | | |
| Interest and dividends | 184,175 | 481,790 | - | 665,965 |
| Realized gain | 126,620 | 331,231 | - | 457,851 |
| Unrealized gain | 840,296 | 2,198,171 | - | 3,038,467 |
| Total investment return | <u>1,151,091</u> | <u>3,011,192</u> | <u>-</u> | <u>4,162,283</u> |
| Contributions | - | - | 1,500 | 1,500 |
| Transfers to endowment investments | <u>1,847,875</u> | <u>-</u> | <u>-</u> | <u>1,847,875</u> |
| Total contributions and changes in contributions | <u>1,847,875</u> | <u>-</u> | <u>1,500</u> | <u>1,849,375</u> |
| Appropriation of endowment assets for expenditure: | | | | |
| Spending rule | (326,297) | (947,354) | - | (1,273,651) |
| Additional appropriations | (700,480) | - | - | (700,480) |
| Total appropriations | <u>(1,026,777)</u> | <u>(947,354)</u> | <u>-</u> | <u>(1,974,131)</u> |
| Endowment net assets, June 30, 2014 | <u>9,874,936</u> | <u>5,823,730</u> | <u>14,116,515</u> | <u>29,815,181</u> |
| Investment return: | | | | |
| Interest and dividends | 221,562 | 539,922 | - | 761,484 |
| Realized gain | 254,660 | 620,572 | - | 875,232 |
| Unrealized loss | (321,708) | (783,961) | - | (1,105,669) |
| Total investment return | <u>154,514</u> | <u>376,533</u> | <u>-</u> | <u>531,047</u> |

AUDUBON CANYON RANCH, INC.
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 3 ENDOWMENT INVESTMENTS AND PERMANENTLY RESTRICTED NET ASSETS
(Continued)

Changes in Endowment Net Assets for the Fiscal Years Ended June 30, 2015 and 2014 (Continued)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> | <u>Total</u> |
|---|---------------------|-----------------------------------|-----------------------------------|----------------------|
| Contributions | - | - | 2,025 | 2,025 |
| Transfers to endowment investments | <u>82,065</u> | <u>-</u> | <u>-</u> | <u>82,065</u> |
| Total contributions and changes in contributions | <u>82,065</u> | <u>-</u> | <u>2,025</u> | <u>84,090</u> |
| Appropriation of endowment assets for expenditure: | | | | |
| Spending rule | (378,930) | (982,569) | - | (1,361,499) |
| Additional appropriations | <u>(1,033,577)</u> | <u>-</u> | <u>-</u> | <u>(1,033,577)</u> |
| Total appropriations | <u>(1,412,507)</u> | <u>(982,569)</u> | <u>-</u> | <u>(2,395,076)</u> |
| Endowment net assets, June 30, 2015 | <u>\$ 8,699,008</u> | <u>\$ 5,217,694</u> | <u>\$ 14,118,540</u> | <u>\$ 28,035,242</u> |

Description of Amounts Classified as Permanently Restricted Net Assets and Temporarily Restricted Net Assets (Endowment Only)

Permanently Restricted Net Assets

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA

| | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|
| | <u>\$ 14,118,540</u> | <u>\$ 14,116,515</u> |

Total endowment funds classified as permanently restricted net assets

| | | |
|--|----------------------|----------------------|
| | <u>\$ 14,118,540</u> | <u>\$ 14,116,515</u> |
|--|----------------------|----------------------|

Temporarily Restricted Net Assets

Term endowment funds

| | | |
|--|------|------|
| | \$ - | \$ - |
|--|------|------|

The portion of perpetual endowment funds subject to a time restriction under SPMIFA:

 Without purpose restrictions

| | | |
|--|-----------|-----------|
| | 4,271,916 | 4,509,978 |
|--|-----------|-----------|

 With purpose restrictions

| | | |
|--|----------------|------------------|
| | <u>945,778</u> | <u>1,313,752</u> |
|--|----------------|------------------|

Total endowment funds classified as temporarily restricted net assets

| | | |
|--|---------------------|---------------------|
| | <u>\$ 5,217,694</u> | <u>\$ 5,823,730</u> |
|--|---------------------|---------------------|

AUDUBON CANYON RANCH, INC.
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 3 ENDOWMENT INVESTMENTS AND PERMANENTLY RESTRICTED NET ASSETS
(Continued)

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 SPMIFA requires the organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2015 or 2014.

Investment Return Objectives and Risk Parameters

ACR has adopted investment objectives for endowment assets that attempt to provide consistent, predictable cash flows for ACR's programs and to preserve the purchasing power, or inflation-adjusted value, of the endowment. Endowment assets include those assets of the donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The endowment assets are invested in a manner consistent with ACR's organizational and other documents and applicable law. The return objective is to produce a net average annual total return, over the long-term, equal to the change in the Consumer Price Index ("CPI") plus 4.5%. The performance of the portfolio is measured against an appropriate weighting of specific indices (such as the S&P 500 Index, Russell 3000 Index, MSCI EAFE Index, and Barclays Aggregate Bond Index), as determined by the Investment Committee. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

The assets are invested in a manner consistent with the purpose and objectives stated above. The organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

Spending Policy and How the Return Objective Relates to Spending Policy

ACR has a policy of appropriating for distribution each year an amount equal to the sum of a) 30% of the average of the fair market value of the portfolio at the close of the preceding four quarters (ending June through March) multiplied by a factor of 0.045, plus b) 70% of the prior year distribution amount, adjusted for inflation, plus c) an adjustment for the amount of the gifts added to the endowment since the previous year's distribution amount was determined. Other withdrawals are only permitted at the authorization of the Board of Directors. In establishing this policy, the organization considered, among other things, the long-term expected return on its endowment. Accordingly, over the long-term, the return objective of the organization is for its endowment to produce a net average annual total return equal to the change in CPI plus 4.5%. This is consistent with the organization'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.

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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 3 ENDOWMENT INVESTMENTS AND PERMANENTLY RESTRICTED NET ASSETS
(Continued)

Permanently Restricted Net Assets

In addition to endowment funds, ACR received donations of land and a building donor-restricted as to use and disposal classified as permanently restricted. As of June 30, 2015 and 2014, the Corporation held the following permanently restricted net assets:

| | 2015 | 2014 |
|---|----------------------|----------------------|
| Endowment funds | \$ 14,118,540 | \$ 14,116,515 |
| Permanently restricted land and buildings | 4,685,000 | 4,685,000 |
| | <u>\$ 18,803,540</u> | <u>\$ 18,801,515</u> |

NOTE 4 REMAINDER INTEREST IN TRUSTS

The Corporation is the charitable remainder beneficiary for several charitable remainder uni-trusts (CRUTs) holding primarily marketable securities. The CRUTs are subject to life estates, whereby the assets, upon death of the income beneficiary, are distributed to ACR.

The following are the major categories of CRUTs measured at fair value using the market approach on a recurring basis during the years ended June 30, 2015 and 2014, using quoted prices in active markets for identified assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

| <u>Description</u> | Fair Value Measurements Using | | | <u>Total</u> |
|-------------------------------|---|---|--|--------------|
| | Quoted Price in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Remainder interest in trusts: | | | | |
| June 30, 2015 | \$ - | \$ 79,758 | \$ - | \$ 79,758 |
| June 30, 2014 | \$ - | \$ 83,648 | \$ - | \$ 83,648 |

AUDUBON CANYON RANCH, INC.
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 4 REMAINDER INTEREST IN TRUSTS (Continued)

The following is a reconciliation of the beginning and ending balances for assets, using the market approach, measured at fair value on a recurring basis using significant other observable inputs (Level 2) during the years ended June 30, 2015 and 2014:

| | |
|------------------------|------------------|
| Balance, June 30, 2013 | \$ 78,347 |
| Unrealized gain | <u>5,301</u> |
| Balance, June 30, 2014 | 83,648 |
| Unrealized loss | <u>(3,890)</u> |
| Balance, June 30, 2015 | <u>\$ 79,758</u> |

NOTE 5 PROPERTY, EQUIPMENT AND IMPROVEMENTS

Property, equipment and improvements consisted of the following:

| <u>Property, Equipment and Improvements, at Cost</u> | <u>Land</u> | <u>Buildings and Improvements</u> | <u>Furniture and Equipment</u> | <u>Total</u> |
|--|------------------|---|--|-------------------|
| Balance, June 30, 2013 | \$ 7,516,270 | \$ 4,284,674 | \$ 658,238 | \$ 12,459,182 |
| Work in progress placed in service | - | 66,490 | - | 66,490 |
| Additions | 375,000 | 635,423 | 118,801 | 1,129,224 |
| Disposals / write-offs | <u>-</u> | <u>(85,000)</u> | <u>(6,360)</u> | <u>(91,360)</u> |
| Balance, June 30, 2014 | 7,891,270 | 4,901,587 | 770,679 | 13,563,536 |
| Additions | - | 299,730 | 43,562 | 343,292 |
| Disposals / write-offs | <u>-</u> | <u>(94,856)</u> | <u>-</u> | <u>(94,856)</u> |
| Balance, June 30, 2015 | <u>7,891,270</u> | <u>5,106,461</u> | <u>814,241</u> | <u>13,811,972</u> |

AUDUBON CANYON RANCH, INC.
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 5 PROPERTY, EQUIPMENT AND IMPROVEMENTS (Continued)

| <u>Accumulated depreciation</u> | <u>Land</u> | <u>Buildings and Improvements</u> | <u>Furniture and Equipment</u> | <u>Total</u> |
|--|---------------------|---|--|----------------------|
| Balance, June 30, 2013 | | 2,563,789 | 530,342 | 3,094,131 |
| Depreciation expense | | 130,474 | 29,797 | 160,271 |
| Disposals | | <u>-</u> | <u>(2,646)</u> | <u>(2,646)</u> |
| Balance, June 30, 2014 | | 2,694,263 | 557,493 | 3,251,756 |
| Depreciation expense | | 153,154 | 45,806 | 198,960 |
| Disposals | | <u>(57,732)</u> | <u>-</u> | <u>(57,732)</u> |
| Balance, June 30, 2015 | | <u>2,789,685</u> | <u>603,299</u> | <u>3,392,984</u> |
| Property, equipment and improvements, net, June 30, 2015 | <u>\$ 7,891,270</u> | <u>\$ 2,316,776</u> | <u>\$ 210,942</u> | <u>\$ 10,418,988</u> |
| Property, equipment and improvements, net, June 30, 2014 | <u>\$ 7,891,270</u> | <u>\$ 2,207,324</u> | <u>\$ 213,186</u> | <u>\$ 10,311,780</u> |

The Corporation has received donations of land and buildings subject to donor restriction. See Notes 3 and 6 for the values of permanently and temporarily restricted property, equipment and improvement. Associated with the acquisition of land, the Corporation agreed to assignment of various land use restriction agreements.

Because of the analysis of impairment, a building scheduled for demolition valued at \$85,000 was written-off during the year ended June 30, 2014. The building was demolished during the year ended June 30, 2015.

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at June 30, 2015 and 2014:

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|---------------------|
| Mayacamas land restoration | \$ 440,317 | \$ 499,314 |
| Land and buildings | 1,574,011 | 1,574,011 |
| Time-restricted | 88,782 | 98,085 |
| Other | 205,820 | 234,611 |
| Temporarily Restricted Endowment (see Note 3) | <u>5,217,694</u> | <u>5,823,730</u> |
| | <u>\$ 7,526,624</u> | <u>\$ 8,229,751</u> |

AUDUBON CANYON RANCH, INC.
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 7 IN-KIND GOODS AND SERVICES

The Corporation receives the benefit of in-kind goods and services that either (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased by the organization if they had not been provided by contribution. Services requiring specialized skills are provided by accountants, architects, carpenters, doctors, electricians, lawyers, nurses, plumbers, teachers, and other professionals and craftspeople.

The following are the major categories of in-kind contributions measured at fair value using the market approach on a non-recurring basis during the years ended June 30, 2015 and 2014, using quoted prices in active markets for identified assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

| <u>Description</u> | <u>Fair Value Measurements at June 30, 2015, Using</u> | | | <u>Total</u> |
|--------------------|--|-------------|--------------|--------------|
| | Quoted Price in | Significant | Significant | |
| | Active Markets | Other | Unobservable | |
| | for Identical | Observable | Inputs | |
| | Assets | Inputs | Inputs | |
| | (Level 1) | (Level 2) | (Level 3) | |
| Legal services | \$ - | \$ 6,996 | \$ - | \$ 6,996 |

| <u>Description</u> | <u>Fair Value Measurements at June 30, 2014, Using</u> | | | <u>Total</u> |
|--------------------|--|-------------------|--------------|-------------------|
| | Quoted Price in | Significant | Significant | |
| | Active Markets | Other | Unobservable | |
| | for Identical | Observable | Inputs | |
| | Assets | Inputs | Inputs | |
| | (Level 1) | (Level 2) | (Level 3) | |
| Legal services | \$ - | \$ 25,657 | \$ - | \$ 25,657 |
| Land and buildings | - | 460,000 | - | 460,000 |
| | <u>\$ -</u> | <u>\$ 485,657</u> | <u>\$ -</u> | <u>\$ 485,657</u> |

The Corporation also benefits from a substantial number of volunteers who donate significant amounts of time to ACR programs. Such volunteer services do not meet the criteria, stated above, required to record the value of such services as revenue and expense in the Statement of Activities. The Corporation estimates approximately 15,703 hours were provided to ACR during the year ended June 30, 2015, valued at an average rate of \$26.87 for a total estimated value of \$421,926. The Corporation estimates approximately 13,030 hours were provided to ACR during the year ended June 30, 2014, valued at an average rate of \$26.34 for a total estimated value of \$343,197.

AUDUBON CANYON RANCH, INC.
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 8 SPECIAL EVENT

During the years ended June 30, 2015 and 2014, the Corporation held special events activities resulting in net income as follows:

| | 2015 | 2014 |
|---|---------|-----------|
| Donations, shown as gifts and bequests on the Statements of Activities | \$ - | \$ 61,953 |
| Ticket sales and auction proceeds | 200 | 75,781 |
| Less: direct expenses | 7,839 | 66,130 |
| Net special event earned income | (7,639) | 9,651 |
| Total event net income | \$ - | \$ 71,604 |

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS RELEASED FROM RESTRICTION

The Corporation fulfilled the use restrictions of the following temporarily restricted items and they were released to unrestricted net assets during the years ended June 30, 2015 and 2014:

| | 2015 | 2014 |
|----------------------------|------------|------------|
| Mayacamas land restoration | \$ 58,997 | \$ 47,143 |
| Other | 131,739 | 147,594 |
| Time-restricted | 5,414 | 27,355 |
| | \$ 196,150 | \$ 222,092 |

NOTE 10 VEHICLE AND EQUIPMENT LOANS

During the year ended June 30, 2011, the Corporation purchased a truck under a capital lease expiring October 6, 2015. During the years ended June 30, 2015 and 2014, the Corporation paid \$5,392 each year toward this loan, including imputed interest. The total balance of the remaining loan as of June 30, 2015 and 2014 was \$1,348 and \$6,740, respectively, which is included in accounts payable and accrued expenses of the Statements of Financial Position.

During the year ended June 30, 2014, the Corporation purchased a tractor under a capital lease expiring December 2018. During the years ended June 30, 2015 and 2014, the Corporation paid \$3,947 and \$2,303, respectively, toward this loan, including interest. The total balance of the remaining loan as of June 30, 2015 and 2014, was \$13,487 and \$17,434, respectively, which is included in accounts payable and accrued expenses of the Statements of Financial Position.

AUDUBON CANYON RANCH, INC.
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 10 VEHICLE AND EQUIPMENT LOANS (Continued)

The estimated future minimum liability for the vehicle and equipment loans for the current and succeeding years are as follows:

| Year ending <u>June 30,</u> | <u>Vehicle</u> | <u>Tractor</u> | <u>Total</u> |
|--------------------------------|-----------------|------------------|------------------|
| 2016 | \$ 1,348 | \$ 3,572 | \$ 4,920 |
| 2017 | - | 3,691 | 3,691 |
| 2018 | - | 3,815 | 3,815 |
| 2019 | - | 2,409 | 2,409 |
| | <u>\$ 1,348</u> | <u>\$ 13,487</u> | <u>\$ 14,835</u> |

NOTE 11 EQUIPMENT LEASES

The Corporation leases office equipment under several non-cancellable operating leases. One lease calls for 60 monthly minimum payments of \$495, plus usage charges, and matures June 2016. In March 2014 the Corporation entered into a new lease for equipment calling for 60 monthly payments of \$250, plus usage charges. The total lease expense for these and other equipment for the years ended June 30, 2015 and 2014, was \$10,396 and \$10,557, respectively.

The estimated future minimum payments for the long-term lease for the current and succeeding years are as follows:

| Year ending <u>June 30,</u> | |
|--------------------------------|------------------|
| 2016 | \$ 8,940 |
| 2017 | 3,000 |
| 2018 | 3,000 |
| 2019 | <u>2,250</u> |
| | <u>\$ 17,190</u> |

NOTE 12 PENSION AND RETIREMENT PLAN

The Corporation has a contributory pension plan established and operated pursuant to the provisions of the Internal Revenue Code Section 403(b) which covers substantially all employees who are 18 year of age or older and have completed one year of service. The annual employer contribution is discretionary up to 15% of gross eligible wages. There were no contributions made for the years ended June 30, 2015 and 2014.

AUDUBON CANYON RANCH, INC.
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

NOTE 13 RISKS, UNCERTAINTIES AND CONCENTRATIONS

The Corporation relies on a significant amount of funding received in the form of donations and grants from individuals and foundations as well as investment income to support its operations. The current global financial markets and U.S. economic downturn may have an impact on the level of funding provided by these funding sources and the market value of marketable equity securities held by the Corporation. While it is impracticable to determine the impact of these events, management is taking steps to address potential changes in funding levels and reduce the Corporation's exposure to impact from these events.

During the year ended June 30, 2014, the Corporation received a significant portion of its cash and non-cash support from one bequest. The estate was valued at approximately \$2.2 million, which was 29% of total income.

NOTE 14 EXCESS OF FDIC

As of June 30, 2015, the Corporation had exceeded the Federal Depository Insurance Corporation cash limit of \$250,000 on its depository accounts. At June 30, 2015, the Corporation had approximately \$525,000 on deposit in excess of federally insured limits.

SUPPLEMENTARY INFORMATION

AUDUBON CANYON RANCH, INC.
(A California Nonprofit Public Benefit Corporation)

SCHEDULES OF FUNCTIONAL EXPENSES
For the year ended June 30, 2015

| | Program Services | General and Administrative | Fundraising | Total |
|---|---------------------|-------------------------------|-------------------|---------------------|
| Personnel | \$ 1,171,090 | \$ 360,091 | \$ 263,766 | \$ 1,794,947 |
| Library and public education | 72,958 | - | - | 72,958 |
| Research and special projects | 29,908 | - | - | 29,908 |
| Insurance | 38,536 | 31,760 | - | 70,296 |
| Professional fees and contract services | 22,854 | 16,621 | 997 | 40,472 |
| Supplies and other general expenses | 33,948 | 3,613 | 2,666 | 40,227 |
| Repairs and maintenance | 221,118 | 16,262 | 11,991 | 249,371 |
| Utilities and telephone | 40,799 | 34,899 | 24,145 | 99,843 |
| Transportation | 64,123 | 2,965 | 217 | 67,305 |
| Printing | 14,788 | - | 6,890 | 21,678 |
| Postage and mailing | 5,752 | 1,256 | 6,902 | 13,910 |
| Community outreach and recognition | - | - | 33,204 | 33,204 |
| Miscellaneous taxes | 17,671 | - | - | 17,671 |
| Retirement of equipment | 1,722 | - | - | 1,722 |
| In-kind legal | 6,996 | - | - | 6,996 |
| Total expenses before depreciation | <u>1,742,263</u> | <u>467,467</u> | <u>350,778</u> | <u>2,560,508</u> |
| Depreciation and amortization | <u>136,287</u> | <u>35,806</u> | <u>26,867</u> | <u>198,960</u> |
| Total expenses | <u>\$ 1,878,550</u> | <u>\$ 503,273</u> | <u>\$ 377,645</u> | <u>\$ 2,759,468</u> |

AUDUBON CANYON RANCH, INC.
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SCHEDULES OF FUNCTIONAL EXPENSES (CONTINUED)
For the year ended June 30, 2014

| | Program Services | General and Administrative | Fundraising | Total |
|---|---------------------|-------------------------------|-------------------|---------------------|
| Personnel | \$ 1,132,370 | \$ 376,189 | \$ 249,117 | \$ 1,757,676 |
| Library and public education | 59,196 | - | - | 59,196 |
| Research and special projects | 31,137 | - | - | 31,137 |
| Insurance | 41,334 | 30,239 | - | 71,573 |
| Professional fees and contract services | 27,991 | 19,623 | 1,194 | 48,808 |
| Supplies and other general expenses | 52,616 | 8,148 | 5,415 | 66,179 |
| Repairs and maintenance | 160,434 | 14,146 | 9,402 | 183,982 |
| Utilities and telephone | 55,188 | 31,133 | 20,721 | 107,042 |
| Transportation | 53,692 | 3,963 | 2,903 | 60,558 |
| Printing | 15,670 | - | 13,229 | 28,899 |
| Postage and mailing | 4,542 | 960 | 9,101 | 14,603 |
| Community outreach and recognition | - | - | 36,132 | 36,132 |
| Miscellaneous taxes | 12,024 | - | - | 12,024 |
| In-kind legal | 16,542 | 5,476 | 3,639 | 25,657 |
| Total expenses before depreciation | <u>1,662,736</u> | <u>489,877</u> | <u>350,853</u> | <u>2,503,466</u> |
| Depreciation and amortization | <u>106,447</u> | <u>31,362</u> | <u>22,462</u> | <u>160,271</u> |
| Total expenses | <u>\$ 1,769,183</u> | <u>\$ 521,239</u> | <u>\$ 373,315</u> | <u>\$ 2,663,737</u> |