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

FINANCIAL STATEMENTS

For the Years Ended
June 30, 2023 and 2022

DORAN & ASSOCIATES

C O N T E N T S

DORAN & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT

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

Opinion
We have audited the accompanying financial statements of Audubon Canyon Ranch, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Audubon Canyon Ranch, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Audubon Canyon Ranch, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Audubon Canyon Ranch, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Audubon Canyon Ranch, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Audubon Canyon Ranch, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.

Doran & Associates

April 23, 2024

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

STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents (Note 1)	$ 2,913,754	$ 1,691,108
Certificates of deposit (Note 1)	1,700,000	2,100,000
Restricted cash (Note 1)	47,833	45,717
Current portion of pledges, grants, and bequests receivable (Note 3)	887,230	508,030
Endowment investments (Note 4)	27,308,645	25,527,863
Remainder interest in trusts, current (Note 5)	-	146,663
Accounts receivable	35,306	9,153
Prepaid expenses	103,188	72,590
Land and building held for sale, net (Note 6)	-	566,968
Operating lease, right of use assets, net of accumulated amortization of $58,152 (Note 7)	37,603	-
Total current assets	33,033,559	30,668,092
Pledges, grants, and bequests receivable, net of current portion (Note 3)	66,667	340,000
Property, equipment, and improvements, net of accumulated depreciation of $5,052,202 at 2023 and $4,637,965 at 2022 (Notes 1 and 6)	10,947,026	10,909,158
Total assets	$ 44,047,252	$ 41,917,250
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 228,417	$ 211,002
Operating lease liabilities (Note 7)	37,603	-
Unspent insurance proceeds (Note 6)	3,431,600	3,532,235
Total liabilities	3,697,620	3,743,237
Net assets (Note 8):		
Without donor restrictions	13,531,367	13,660,031
With donor restrictions	26,818,265	24,513,982
Total net assets	40,349,632	38,174,013
Total liabilities and net assets	$ 44,047,252	$ 41,917,250

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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND TRANSFERS			
Public support:			
Gifts and bequests	$ 584,049	$ 2,649,010	$ 3,233,059
Grants	856,077	-	856,077
In-kind goods and services (Note 9)	105,788	-	105,788
Total public support	1,545,914	2,649,010	4,194,924
Revenue:			
Net investment return (Note 4)	918,400	1,780,254	2,698,654
Gain on sale of land and building, net (Note 6)	-	622,458	622,458
Other revenue, net	58,270	-	58,270
Total revenue	976,670	2,402,712	3,379,382
Proceeds from insurance (Note 6)	94,923	-	94,923
Net assets released from restriction pursuant to endowment spending rate distribution formula	1,115,213	(1,115,213)	-
Net assets with donor restrictions released from restriction, fulfillment of purpose and/or time restrictions	1,632,226	(1,632,226)	-
Total support, revenue, and transfers	5,364,946	2,304,283	7,669,229
EXPENSES AND LOSSES			
Program services (see Note 9)	3,824,050	-	3,824,050
General and administrative	945,249	-	945,249
Fundraising	724,311	-	724,311
Total expenses and losses	5,493,610	-	5,493,610
Change in net assets	(128,664)	2,304,283	2,175,619
Net assets, beginning of year	13,660,031	24,513,982	38,174,013
Net assets, end of year	$ 13,531,367	$ 26,818,265	$ 40,349,632

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, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUE, AND TRANSFERS			
Public support:			
Gifts and bequests	$ 1,786,739	$ 1,510,319	$ 3,297,058
Grants	44,099	-	44,099
In-kind goods and services (Note 9)	121,712	-	121,712
Total public support	1,952,550	1,510,319	3,462,869
Revenue:			
Net investment return (Note 4)	(1,713,813)	(3,596,133)	(5,309,946)
Other revenue, net	72,398	-	72,398
Total revenue	(1,641,415)	(3,596,133)	(5,237,548)
Proceeds from insurance (Note 6)	54,611	-	54,611
Net assets released from restriction pursuant to endowment spending rate distribution formula	1,030,263	(1,030,263)	-
Net assets with donor restrictions released from restriction, fulfillment of purpose and/or time restrictions	1,084,533	(1,084,533)	-
Total support, revenue, and transfers	2,480,542	(4,200,610)	(1,720,068)
EXPENSES AND LOSSES			
Program services (see Note 9)	3,174,218	-	3,174,218
General and administrative	809,262	-	809,262
Fundraising	588,502	-	588,502
Total expenses and losses	4,571,982	-	4,571,982
Change in net assets	(2,091,440)	(4,200,610)	(6,292,050)
Net assets, beginning of year	15,751,471	28,714,592	44,466,063
Net assets, end of year	$ 13,660,031	$ 24,513,982	$ 38,174,013

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

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

STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2023

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 2,332,610	$ 564,155	$ 495,629	$ 3,392,394
Library and public education	12,700	-	-	12,700
Research and special projects	576,392	5,389	-	581,781
Insurance	176,344	42,650	37,469	256,463
Professional fees and contract services	-	81,265	1,045	82,310
Supplies and other general expenses	25,798	6,240	5,482	37,520
Repairs and maintenance	161,339	70,568	50,755	282,662
Utilities and telephone	67,873	16,416	14,422	98,711
Transportation	61,149	2,666	129	63,944
Printing and website	24,562	-	-	24,562
Postage and mailing	3,271	2,200	1,550	7,021
Community outreach and recognition	-	-	23,557	23,557
Miscellaneous taxes, rent	69,839	2,945	33,167	105,951
In-kind goods and services	24,587	81,201	-	105,788
Total expenses before depreciation	3,536,464	875,695	663,205	5,075,364
Depreciation	287,586	69,554	61,106	418,246
Total expenses included in the expenses section on the Statement of Activities	$ 3,824,050	$ 945,249	$ 724,311	$ 5,493,610

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

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

STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)
For the year ended June 30, 2022

	Program Services	General and Administrative	Fundraising	Total
Personnel	$ 1,833,324	$ 480,540	$ 378,241	$ 2,692,105
Library and public education	10,295	-	-	10,295
Research and special projects	469,694	463	-	470,157
Insurance	188,003	49,278	38,788	276,069
Insurance commission paid	-	-	-	-
Professional fees and contract services	-	56,257	-	56,257
Supplies and other general expenses	19,938	5,226	4,114	29,278
Repairs and maintenance	133,379	66,588	44,828	244,795
Utilities and telephone	69,668	18,261	14,374	102,303
Transportation	37,873	2,857	98	40,828
Printing and website	11,767	-	-	11,767
Postage and mailing	2,116	1,561	1,099	4,776
Community outreach and recognition	6,859	-	45,372	52,231
Miscellaneous fees and taxes	44,282	430	3,866	48,578
In-kind goods and services	67,244	54,468	-	121,712
Cost of goods sold	-	-	-	-
Total expenses before depreciation	2,894,442	735,929	530,780	4,161,151
Depreciation and amortization	279,776	73,333	57,722	410,831
Total expenses included in the expenses section on the Statement of Activities	$ 3,174,218	$ 809,262	$ 588,502	$ 4,571,982

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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 2,175,619	$ (6,292,050)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	414,237	410,831
Depreciation on building held for sale	4,009	-
Amortization of right of use assets	58,152	-
Gain on sale of land, building, and equipment	(622,428)	(4,280)
Realized loss on investments	634,682	285,344
Unrealized (gain) loss on investments	(2,855,477)	5,673,410
Unrealized gain on life income gifts and remainder interest in trusts	-	(86,952)
Insurance proceeds used for purchase of property, equipment, and improvements	(94,923)	(41,011)
Changes in assets and liabilities:		
Pledges, grants, and bequests receivable	(105,867)	(805,651)
Accounts receivable	(26,153)	7,405
Inventory	-	112
Prepaid expenses	(30,598)	(37,137)
Remainder interest in trusts	146,663	-
Accounts payable and accrued expenses	17,415	37,755
Cash paid for operating leases	(58,152)	-
Total adjustments	(2,518,440)	5,439,826
Net cash used by operating activities	(342,821)	(852,224)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from CDs	400,000	-
Use of insurance proceeds	(100,635)	(54,611)
Sales / withdrawals of endowment investments	440,013	524,614
Purchase of property, equipment, and improvements	(357,182)	(274,686)
Proceeds from sale of land, building, and equipment	1,185,387	8,479
Net cash provided by investing activities	1,567,583	203,796
Net increase (decrease) in cash and cash equivalents	1,224,762	(648,428)
Cash and cash equivalents, beginning of year	1,736,825	2,385,253
Cash and cash equivalents, end of year	$ 2,961,587	$ 1,736,825

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 (CONTINUED)
For the years ended June 30, 2023 and 2022

	2023	2022
Reconciliation of cash and cash equivalents, all accounts, to Statements of Financial Position:		
Cash and cash equivalents	$ 2,913,754	$ 1,691,108
Restricted cash	47,833	45,717
	$ 2,961,587	$ 1,736,825
Non-cash transactions:		
Donation of marketable securities	$ 1,555,475	$ 3,564
Addition to right of use asset obtained from new operating lease liability, net of discount	$ 95,755	$ -
Additional disclosures:		
Property, equipment, and improvements funded by insurance proceeds	$ 94,923	$ 41,011

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

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Audubon Canyon Ranch, Inc. (hereafter ACR, or the Organization), 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, Bouverie Preserve, Cypress Grove Research Center, Modini 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.

Net Assets - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. Prior to FY2023, the governing board had designated, from net assets without donor restrictions, net assets for a board-designated endowment (see Note 4); during the year ended June 30, 2023, the board of directors approved the release from designation of all funds.

Net Assets With Donor Restrictions - Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Method of Accounting - The financial statements of the Organization 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 $47,833 and $45,717 at June 30, 2023 and 2022, respectively.

Investments - Investments primarily include corporate stocks, real estate funds and government and corporate bonds. Purchased investments in equity and debt securities with readily determinable fair values are reported at fair value based on quoted market prices. Other investment instruments are measured on the net equity basis, as reported on the K-1 or other year-end report. Investments received by donation are recorded at the fair value at the date of donation.

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

Investments (Continued) - Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Fair Value Measurements - Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or more advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Organization determines the fair values of its assets and liabilities based on the fair value hierarchy, which includes three levels of inputs that may be used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Level 2 inputs are significant other observable inputs other than Level 1 inputs, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data. Level 3 inputs are unobservable inputs for the assets or liabilities. Unobservable inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances, and may include the Organization's own data.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given investment is based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significant of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

Management has elected, as a practical expedient, to measure the fair value of investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or one that has the attributes of an investment company, on the basis of the net asset value ("NAV") per share of the investment or its equivalent, if the NAV or its equivalent is calculated in a manner consistent with the measurement principles of accounting for investment companies as of the entity's measurement date. The relevant guidance also requires disclosures by major category of investments about the attributes of investments. Management has elected to adopt this practical expedient for its remainder interest in trusts.

Hedging Activities - The Organization adopted ASC 815, *Accounting for Derivative Instruments and Hedging Activities*, which requires that all derivative instruments be recorded on the statement of activities at fair value. On the date derivative contracts are entered into, the Organization designates the derivatives as either (a) a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment (fair value hedge), (b) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (cash flow hedge), or c) a hedge of a net investment in a foreign operation (net investment hedge). Changes in the fair value of derivatives are recorded each period in current earnings. For hedge transactions, changes in fair value of the derivative instrument are generally offset in the statement of activities by changes in the fair value of the item being hedged. The ineffective portions of all hedges are recognized in current period earnings.

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

Hedging Activities (Continued) - In March 2008, FASB issued ASC 815-10, *Disclosures about Derivative Instruments and Hedging Activities*. ASC 815-10 changed the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under ASC 815; and (c) how derivative instruments and related hedge items affect an entity's financial position, financial performance, and cash flows. ASC 815-10 is effective for quarterly interim periods beginning after November 15, 2008, and fiscal years that include those quarterly interim periods. The Organization evaluated the impact of the provisions of ASC 815-10 on its financial statements and determined it did not have a material impact on the Organization's financial statements.

The Organization has invested in several hedge funds at June 30, 2023 and 2022, totaling $1,653,197 and $1,868,470, respectively: Ironwood Institutional Multi-Strategy Fund LLC, CPG Focused Access Fund, LLC, and Private Advisors Hedged Equity Fund (QP) Ltd.

The funds are invested with multiple underlying hedge funds with various investment strategies. The result is a diversified portfolio of hedge funds which runs across the absolute return and equity hedge spectrum. The objective is to create a balanced portfolio of hedge funds to achieve attractive returns while mitigating risks inherent in any single strategy. In addition, the objective is to provide positive returns with relatively low volatility and correlation when compared to major market indices. The fund of funds is a fund for which the investment advisor does ongoing monitoring and due diligence.

Revenue and Revenue Recognition - The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and right of return - are not recognized until the conditions on which they depend have been met. Consequently, grants of $280,000 and $2,000,000 have not been recognized in the accompanying financial statements at June 30, 2023 and 2022, respectively, because conditions have not yet been met. The conditional grant for $280,000 was conditional upon meeting measurable performance barriers and the conditional grant for $2,000,000 was dependent upon programmatic goals.

Revenue, other than unconditional contributions, bequests, and grants, is recognized in the period in which service is provided.

Certificates of Deposit - the Organization holds bank certificates of deposit totaling $1,700,000 and $2,100,000 at June 30, 2023 and 2022, respectively. The CD held at June 30, 2023, bears interest at the rate of 2.48% per annum and was scheduled to mature August 3, 2023. The CD was liquidated upon maturity.

Property, Equipment and Improvements - The Organization 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.

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

Property, Equipment and Improvements (Continued) - The Organization 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. There were no impairment losses recognized in 2023 or 2022.

Functional Expenses - The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, occupancy, office expenses, information technology, insurance, depreciation and other, which are allocated based on time studies or other measures of effort, as follows:

Expense:	Method of allocation
Payroll related expenses	Time studies
Insurance	Function and usage
Facilities	Asset usage
Postage and shipping	Function and usage
Telephone	Function and usage
Office expenses	Function and usage
Depreciation expenses	Function and usage

Use of Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Income Taxes - The Organization 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.

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 Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization 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 (four years for California). Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

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

Accounting Standards Update, ASU 2016-02, *Leases* - In February 2016, the FASB issued amendments to the way lessees record lease transactions. Lessees are required to recognize at commencement the right-of-use asset and a lease liability representing the lessee's obligation to make lease payments arising from the lease, as discounted, for all leases except short-term leases. This Standard was effective for annual financial statements issued for fiscal years beginning after December 15, 2021, and had an impact on the financial statements of the Organization.

Change in Accounting Principle - During the year ended June 30, 2023, the Organization adopted Accounting Standard, ASU 2016-02, *Leases*. As a result, the Organization recognized during the year the commencement of the right-of-use asset and a lease liability representing the lessee's obligation to make lease payments arising from the lease, as discounted, for all leases except short-term leases. See Note 7 for details regarding the lease disclosures resulting from this change in accounting principle.

Accounting Standards Update, ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* - In September 2020, the FASB amended guidance regarding the way nonprofit organizations report nonfinancial assets, including donated goods and rent, in-kind professional services, etc. The amendment requires contributed nonfinancial assets to be presented separately from cash and other financial assets on the statement of activities, and the footnote disclosure must include a dis-aggregation by type, donor restrictions, if applicable, and other details about the nature and valuation of the nonfinancial assets received. The new standard was effective for fiscal years beginning after June 15, 2021, and impacted the Organization's reporting of contributed nonfinancial assets.

Subsequent Events - Subsequent events have been evaluated through April 23, 2024, which is the date the financial statements were available to be issued.

NOTE 2 LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, consist of the following:

Cash and cash equivalents	$ 1,085,927
Other receivables	35,306
Endowment spending rule distributions	1,461,847
Endowment other distributions	717,721
Total	$ 3,300,801

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Audubon Canyon Ranch, Inc. has a goal to maintain financial assets (cash and short-term investments) sufficient to meet 60 days of operating expenses, which are approximately $1,000,000. The Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds.

NOTE 3 PLEDGES, GRANTS, AND BEQUESTS

The Organization received pledges, grants, and bequests receivable for various purposes. The receivables are collectible as follows at June 30, 2023 and 2022:

	2023	2022
Current portion	$ 887,230	$ 508,030
Long-term portion, year ending June 30:		
2024	N/A	340,000
2025	66,667	-
Total long-term portion	66,667	340,000
Total pledges, grants, and bequests	$ 953,897	$ 848,030

It is the practice of the Organization 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.

NOTE 4 ENDOWMENT AND MANAGED PORTFOLIO INVESTMENTS

Managed portfolio investments are stewarded by the ACR investment committee and its ACR Board of Directors approved investment consultant. These investments are managed within the ACR Board of Directors approved Investment Policy Statement ("IPS") and consists of two components:

- *Donor Restricted Endowment Investments* representing the historic dollar value of contributions restricted by donors for permanent investment.

- *Unrestricted Fund Investments* representing unrestricted funds allocated to the managed investment portfolio by the Organization's Board of Directors. Prior to FY2023, the governing board had designated, from net assets without donor restrictions, net assets for a board-designated. During the year-ended June 30, 2023, the board of directors approved the release from designation of all funds.

NOTE 4 ENDOWMENT AND MANAGED PORTFOLIO INVESTMENTS (Continued)

The following are the major categories of marketable equity securities measured at fair value on a recurring basis during the years ended June 30, 2023 and 2022, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	Fair Value Measurements Using				
Description	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Cost or NAV	Total
2023:					
Equity securities	$ 6,901,520	$ -	$ -	$ -	$ 6,901,520
Fixed income	7,275,434	-	-	-	7,275,434
ETFs	3,492,305	-	-	-	3,492,305
Mutual funds	6,546,064	-	-	-	6,546,064
HF/Alternative	-	-	-	2,892,226	2,892,226
T-bills	-	201,096	-	-	201,096
	$ 24,215,323	$ 201,096	$ -	$ 2,892,226	$ 27,308,645
2022:					
Equity securities	$ 5,999,221	$ -	$ -	$ -	$ 5,999,221
Fixed income	7,703,591	-	-	-	7,703,591
ETFs	3,598,874	-	-	-	3,598,874
Mutual funds	6,103,175	-	-	-	6,103,175
HF/Alternative	-	-	-	1,868,470	1,868,470
T-bills	-	254,532	-	-	254,532
	$ 23,404,861	$ 254,532	$ -	$ 1,868,470	$ 25,527,863

The following summarizes the investment income (loss), including operating account activity, during the years ended June 30, 2023 and 2022:

	2023	2022
Realized loss	$ (634,682)	$ (285,344)
Unrealized gain (loss)	2,855,477	(5,673,410)
Interest and dividend income	590,021	789,238
Investment management fees	(112,162)	(140,430)
	$ 2,698,654	$ (5,309,946)

NOTE 4 ENDOWMENT AND MANAGED PORTFOLIO INVESTMENTS (Continued)

ACR's investment portfolio consists of two investment accounts containing cash and cash equivalents, bonds, equities, and treasury bills, established for a variety of purposes. Its investment portfolio includes both donor-restricted endowment funds and funds designated by the Board of Directors. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors through June 30, 2022, 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 restricted net assets of the donor-restricted endowment fund, (a) the original value of the gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the 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. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

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

NOTE 4 ENDOWMENT AND MANAGED PORTFOLIO INVESTMENTS (Continued)

Investment Net Asset Composition by Type of Fund as of:

Description	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2023			
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amount required to be maintained in perpetuity by donor	$ -	$ 14,639,565	$ 14,639,565
Accumulated investment gains	-	4,446,563	4,446,563
	-	19,086,128	19,086,128
Unrestricted investment funds	8,563,090	-	8,563,090
Total funds	$ 8,563,090	$ 19,086,128	$ 27,649,218
Cash and cash equivalents	$ -	$ 340,573	$ 340,573
Unrestricted investment funds	8,563,090	-	8,563,090
Donor-restricted endowment funds	-	18,745,555	18,745,555
	$ 8,563,090	$ 19,086,128	$ 27,649,218

Description	Without Donor Restrictions	With Donor Restrictions	Total
June 30, 2022			
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amount required to be maintained in perpetuity by donor	$ -	$ 14,635,564	$ 14,635,564
Accumulated investment gains	-	2,735,610	2,735,610
	-	17,371,174	17,371,174
Board-designated investment funds	8,576,326	-	8,576,326
Total funds	$ 8,576,326	$ 17,371,174	$ 25,947,500
Cash and cash equivalents	$ -	$ 419,637	$ 419,637
Board-designated investment funds	8,576,326	-	8,576,326
Donor-restricted endowment funds	-	16,951,537	16,951,537
	$ 8,576,326	$ 17,371,174	$ 25,947,500

NOTE 4 ENDOWMENT AND MANAGED PORTFOLIO INVESTMENTS (Continued)

Changes in Investment Net Assets for the Fiscal Years Ended June 30, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2021	$ 10,481,795	$ 21,988,820	$ 32,470,615
Investment return:			
Interest and dividends	253,344	529,696	783,040
Realized loss	(92,320)	(193,024)	(285,344)
Unrealized loss	(1,835,575)	(3,837,835)	(5,673,410)
Management fees	(45,423)	(94,970)	(140,393)
Total investment return	(1,719,974)	(3,596,133)	(5,316,107)
Contributions	-	-	-
Transfers to endowment investments	1,102,080	47,751	1,149,831
Total contributions and changes in contributions	1,102,080	47,751	1,149,831
Appropriation of endowment assets for expenditure:			
Spending rule	(400,826)	(1,030,263)	(1,431,089)
Additional appropriations	(886,750)	(39,000)	(925,750)
Total appropriations	(1,287,576)	(1,069,263)	(2,356,839)
Endowment net assets, June 30, 2022	8,576,325	17,371,175	25,947,500
Investment return:			
Interest and dividends	169,240	353,848	523,088
Realized loss	(205,345)	(429,337)	(634,682)
Unrealized gain	923,861	1,931,616	2,855,477
Management fees	(36,289)	(75,873)	(112,162)
Total investment return	851,467	1,780,254	2,631,721
Contributions	-	-	-
Transfers to endowment investments	632,845	1,066,412	1,699,257
Total contributions and changes in contributions	632,845	1,066,412	1,699,257

NOTE 4 ENDOWMENT AND MANAGED PORTFOLIO INVESTMENTS (Continued)

Changes in Investment Net Assets for the Fiscal Years Ended June 30, 2023 and 2022 (Continued)

	Without Donor Restrictions	With Donor Restrictions	Total
Appropriation of endowment assets for expenditure:			
Spending rule	(411,187)	(1,115,213)	(1,526,400)
Additional appropriations	(1,086,360)	(16,500)	(1,102,860)
Total appropriations	(1,497,547)	(1,131,713)	(2,629,260)
Endowment net assets, June 30, 2023	$ 8,563,090	$ 19,086,128	$ 27,649,218

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 certain funds that incurred deficiencies of $466,925 (see footnote 8) or 1.8% of endowment net assets of $25,947,500 at June 30, 2022. This was caused by a significant decrease in the market value of investments. The organization had assessed the situation and decided to decline using unrestricted funds to cure the deficiencies and maintain its long term investing strategy and policy. As of June 30, 2023, there were no funds with deficiencies.

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.

NOTE 4 ENDOWMENT AND MANAGED PORTFOLIO INVESTMENTS (Continued)

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 Trustees. 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.

NOTE 5 REMAINDER INTEREST IN TRUSTS

The Organization was the charitable remainder beneficiary for several charitable remainder uni-trusts (CRUTs) holding primarily marketable securities. The CRUTs were subject to life estates, whereby the assets, upon death of the income beneficiary, were distributed to ACR. During the year ended June 30, 2023, the distributions were collected in full.

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, 2023 and 2022:

	Fair Value Measurements Using				
Description	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Measured at Cost or NAV	Total
Remainder interest in trusts:					
2023	$ -	$ -	$ -	$ -	$ -
2022	$ -	$ -	$ -	$ 146,663	$ 146,663

NOTE 5 REMAINDER INTEREST IN TRUSTS (Continued)

The following is a reconciliation of the remainder interest in trust activity during the years ended June 30, 2023 and 2022:

Balance, June 30, 2021	$ 59,711
Realized event - cash received	-
Unrealized gain	86,952
Balance, June 30, 2022	146,663
Realized event - cash received	(146,663)
Balance, June 30, 2023	$ -

NOTE 6 PROPERTY, EQUIPMENT, AND IMPROVEMENTS

Property, equipment, and improvements consisted of the following:

Property, Equipment, and Improvements, at Cost	Land	Buildings and Improvements	Furniture and Equipment	Total
Balance, June 30, 2021	$ 7,890,270	$ 6,667,681	$ 1,374,321	$ 15,932,272
Additions	-	41,011	274,685	315,696
Disposals	-	-	(12,943)	(12,943)
Held for sale	(252,000)	(434,052)	(1,850)	(687,902)
Balance, June 30, 2022	7,638,270	6,274,640	1,634,213	15,547,123
Additions	-	94,923	357,182	452,105
Balance, June 30, 2023	7,638,270	6,369,563	1,991,395	15,999,228
Accumulated depreciation				
Balance, June 30, 2021		3,491,482	865,330	4,356,812
Depreciation expense		222,442	188,389	410,831
Disposals		-	(8,744)	(8,744)
Held for sale		(120,780)	(154)	(120,934)
Balance, June 30, 2022		3,593,144	1,044,821	4,637,965
Depreciation expense		203,488	210,749	414,237
Balance, June 30, 2023		3,796,632	1,255,570	5,052,202
Property, equipment, and improvements, net, June 30, 2023	$ 7,638,270	$ 2,572,931	$ 735,825	$ 10,947,026
Property, equipment, and improvements, net, June 30, 2022	$ 7,638,270	$ 2,681,496	$ 589,392	$ 10,909,158

NOTE 6 PROPERTY, EQUIPMENT, AND IMPROVEMENTS (Continued)

At June 30, 2022, the Organization listed a property in Healdsburg, California, for sale:

Land, cost	$ 252,000
Building, cost	378,000
Building improvements, cost	56,052
Equipment, cost	1,850
	687,902
Accumulated depreciation	(120,934)
Land and building held for sale, net, June 30, 2022	$ 566,968

On October 4, 2022, the property was sold for $1,250,000, with the gain on sale calculated as follows:

Proceeds from sale		$ 1,250,000
Less: closing costs		(64,613)
Proceeds from sale		1,185,387
Less basis at sale:		
Land and building, net	$ 566,968	
Additional depreciation	(4,009)	
		(562,959)
Gain on sale		$ 622,428

The Organization has received donations of land and buildings subject to donor restriction. See Note 8 for the values of donor restricted property, equipment and improvement. Associated with the acquisition of land, the Corporation agreed to assignment of various land use restriction agreements.

A major fire occurred in October 2017 in northern California in Sonoma and Napa Counties, with major damage occurring at the organizations' Bouverie Preserve in Glen Ellen, Sonoma County. As of June 30, 2022, ACR has received insurance proceeds totaling $5,861,952 to cover the replacement of fixed assets damaged by the fire, as well as operating costs incurred due to the damage. During the years ended June 30, 2023 and 2022, insurance transactions were as follows:

Unspent insurance proceeds at June 30, 2021	$ 3,586,846
Less: Property, equipment, and improvements funded by insurance proceeds	(41,011)
Operating costs funded by insurance proceeds	(13,600)
Total proceeds from insurance recognized, Statement of Activities	(54,611)
Unspent insurance proceeds at June 30, 2022	3,532,235
Less: Property, equipment, and improvements funded by insurance proceeds	(94,923)
Operating costs funded by insurance proceeds	(5,712)
Unspent insurance proceeds at June 30, 2023	$ 3,431,600

Management is assessing the needs of the organization to develop a plan to use the unspent insurance proceeds.

NOTE 7 OPERATING LEASE RIGHT OF USE ASSETS

On March 10, 2021, the Organization entered into a non-cancelable operating lease for warehouse/office space. The lease was scheduled to mature March 31, 2024, and required base monthly rent of $2,893 plus common area maintenance fees. On August 1, 2022, the Organization entered into a non-cancelable operating lease for additional warehouse/office space. The lease was scheduled to mature March 31, 2024, and required base monthly rent of $1,800 plus common area maintenance fees. The property has a fair value far in excess of the lease value, and alternative expected uses to the lessor after the lease term. The Organization has elected to use the risk-free interest rate of 0.35% for the first lease and 2.93% for the second lease for calculation of long-term discounting. The leases convey no ownership at the end of the lease terms, contain no purchase options, and require no guarantee of residual value. During the year ended June 30, 2023 and 2022, the Organization paid $62,662 and $41,987, respectively, under these leases and two immaterial copier leases with 60 month terms expiring in September 2024 and August 2026. The amortization of the right of use assets was $58,152 for 2023, leaving a net right of use assets of $37,603 at June 30, 2023.

The future payments under these lease obligations are as follows:

Year ending June 30,	Scheduled payments	Less: effects of discounting	Net
2024	$ 38,414	$ 811	$ 37,603

On September 27, 2023, the above leases were renegotiated with additional space added, resulting in a new primary lease effective November 1, 2023. The subsequent lease requires monthly rent of $6,869, plus common area operating expenses, and matures March 31, 2027. The lease also has a 36-month option to extend, which has not yet been exercised.

The future payments to be considered for the calculation of the lease liability for FY2024 under this subsequent lease obligation are as follows:

Year ending June 30,	Scheduled Payments	Less: effects of discounting	Net
2024	$ 57,049	$ 12,280	$ 44,769
2025	85,574	13,797	71,777
2026	85,574	7,839	77,735
2027	64,181	1,675	62,506
	$ 292,378	$ 35,591	$ 256,787

NOTE 8 NET ASSETS

Net Assets Without Donor Restrictions:

	2023	2022
Undesignated	$ 13,531,367	$ 5,083,705
Designated by the board - managed investments (see Note 4)	-	8,576,326
	$ 13,531,367	$ 13,660,031

NOTE 8 NET ASSETS (Continued)

Net Assets With Donor Restrictions:

Net assets with donor restrictions are restricted for the following purposes or periods:

	2023	2022
Subject to expenditures for specified purposes:		
Mayacamas land restoration	$ 478,322	$ 160,946
Promises to give, the proceeds from which have been restricted by donors for programs	632,833	810,000
Other purposes	1,280,050	133,133
Subject to the passage of time:		
Remainder interest in trusts	-	146,663
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	-	-
Land and buildings, net of accumulated depreciation, per donor restrictions	1,230,587	1,781,721
	3,621,792	3,032,463
Endowments:		
Subject to appropriation and expenditures when a specified event occurs:		
With donor restrictions *	115,165	(446,925)
Available for general use	4,331,398	3,182,535
	4,446,563	2,735,610
Subject to the organization's endowment spending policy and appropriation	14,639,565	14,635,564
Total endowments	19,086,128	17,371,174
Land held in perpetuity, per donor restrictions	4,110,345	4,110,345
	$ 26,818,265	$ 24,513,982

* See Note 4, Funds with Deficiencies for FY2022

NOTE 9 IN-KIND GOODS AND SERVICES

The Organization 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, 2023 and 2022, using quoted prices in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	Fair Value Measurements Using			
Description	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
2023:				
Equipment and products, utilized	$ -	$ 24,587	$ -	$ 24,587
Labor, utilized	-	81,201	-	81,201
	$ -	$ 105,788	$ -	$ 105,788
2022:				
Goods monetized	$ -	$ 10,744	$ -	$ 10,744
Goods utilized	-	55,200		55,200
Services utilized	-	55,768	-	55,768
	$ -	$ 121,712	$ -	$ 121,712

The Organization 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 Organization estimates approximately 5,340 hours were provided to ACR during the year ended June 30, 2023, valued at an average rate of $35.28 for a total estimated value of $188,395. The Organization estimates approximately 6,862 hours were provided to ACR during the year ended June 30, 2022, valued at an average rate of $34.29 for a total estimated value of $235,298.

NOTE 10 PENSION AND RETIREMENT PLAN

The Organization 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 years of age or older and have completed one year of service. The annual employer contribution is discretionary up to 5% of gross eligible wages. The Organization made contributions to the plan totaling $99,769 for the year ended June 30, 2023, and $83,204 for the year ended June 30, 2022.

NOTE 11 RISKS, UNCERTAINTIES AND CONCENTRATIONS

- The Organization 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 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 Organization. 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 Organization's exposure to impact from these events.

- During the year ended June 30, 2023, the Organization received bequests, pledges and donations from ten sources that represented 71% of total support. One of those donors represents 92% of the pledges, grants and bequests receivable at June 30, 2023. During the year ended June 30, 2022, the Organization received bequests, pledges and donations from six sources that represented 57% of total support. One of those donors represents 78% of the pledges, grants and bequests receivable at June 30, 2022.

NOTE 12 EXCESS OF FDIC

As of June 30, 2023, the Organization had exceeded the Federal Depository Insurance Corporation cash limit of $250,000 on its depository accounts. At June 30, 2023, the Organization had approximately $2,409,000 on deposit in excess of federally insured limits.

NOTE 13 SUBSEQUENT EVENTS

On September 27, 2023, the operating lease for warehouse/office space was expanded and renegotiated effective November 1, 2023. The new lease requires monthly payments of $6,869, plus common area operating expenses, and matures March 31, 2027 (see Note 7).