

**SAVE THE REDWOODS LEAGUE**

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**FINANCIAL STATEMENTS**

March 31, 2017 and 2016



# SAVE THE REDWOODS LEAGUE

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600 California Street, Suite 600, San Francisco, CA 94108

**Phone** (415) 421-5757 **Fax** (415) 288-6288 **Email** bpm@bpmcpa.com **Web** bpmcpa.com

## INDEPENDENT AUDITORS' REPORT

The Audit Committee of  
Save the Redwoods League

We have audited the accompanying financial statements of Save the Redwoods League (a nonprofit organization) (the "League"), which comprise the statements of financial position as of March 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Save the Redwoods League as of March 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BPM LLP

San Francisco, California  
July 11, 2017

**SAVE THE REDWOODS LEAGUE**  
**STATEMENTS OF FINANCIAL POSITION**

March 31, 2017 and 2016

	2017	2016
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,948,809	\$ 4,070,681
Restricted cash and cash equivalents	37,415	829,094
Contributions, grants, pledges, and other receivables, net	8,717,146	7,494,572
Notes receivable	172,110	213,594
Deposits for land transactions	1,825,000	1,325,000
Other assets	331,059	399,742
Property and equipment, net	1,397,390	1,635,828
Beneficial interest in charitable remainder trusts	4,837,993	3,838,516
Investments	69,429,933	54,123,508
Real estate held	30,162,880	35,677,380
Endowment fund	888,679	694,947
	\$ 123,748,414	\$ 110,302,862
Total assets		
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,802,417	\$ 996,848
Notes payable	1,100,000	-
	2,902,417	996,848
Net assets:		
Unrestricted:		
Available for operations	5,724,979	6,506,702
Board designated:		
Land and Conservation Easement Stewardship Fund	22,000,000	21,000,000
Park Enhancement Fund	27,000,000	24,000,000
Land and Conservation Easement Acquisition Opportunity Fund	10,000,000	10,000,000
Science and Education Fund	5,500,000	5,500,000
Operating Expense Reserve	15,700,000	12,200,000
	85,924,979	79,206,702
Temporarily restricted	34,510,210	29,688,504
Permanently restricted	410,808	410,808
	120,845,997	109,306,014
Total net assets		
Total liabilities and net assets	\$ 123,748,414	\$ 110,302,862

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

## SAVE THE REDWOODS LEAGUE

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended March 31, 2017 and 2016

	2017			2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Operating activities (excluding land and conservation easement transactions)</b>								
Revenue and public support:								
Contributions and grants	\$ 5,761,833	\$ 8,275,020	\$ -	\$ 14,036,853	\$ 3,010,930	\$ 6,317,893	\$ -	\$ 9,328,823
In-kind contributions	4,640	-	-	4,640	1,797	-	-	1,797
Change in value of beneficial interest in irrevocable trusts	-	328,757	-	328,757	-	(188,766)	-	(188,766)
Interest and dividends	1,329,201	84,563	-	1,413,764	1,548,551	38,966	-	1,587,517
Realized gain on sale of investments, net	1,974,021	-	-	1,974,021	2,406,636	-	-	2,406,636
Interest from loans	-	6,925	-	6,925	-	8,348	-	8,348
Other income	120,709	-	-	120,709	58,253	-	-	58,253
Net assets released from restrictions	4,590,475	(4,590,475)	-	-	7,200,575	(7,200,575)	-	-
Total revenue and public support	<u>13,780,879</u>	<u>4,104,790</u>	<u>-</u>	<u>17,885,669</u>	<u>14,226,742</u>	<u>(1,024,134)</u>	<u>-</u>	<u>13,202,608</u>
Expenses:								
Program services:								
Redwood land programs	5,740,207	-	-	5,740,207	6,305,377	-	-	6,305,377
Education and research grants	672,102	-	-	672,102	334,563	-	-	334,563
Redwood restoration grants	150,000	-	-	150,000	532,962	-	-	532,962
Climate change research grants	371,633	-	-	371,633	507,142	-	-	507,142
Park support grants	89,805	-	-	89,805	235,701	-	-	235,701
Other grants	164,000	-	-	164,000	64,978	-	-	64,978
Total program services	<u>7,187,747</u>	<u>-</u>	<u>-</u>	<u>7,187,747</u>	<u>7,980,723</u>	<u>-</u>	<u>-</u>	<u>7,980,723</u>
Support services:								
General, administrative, and outreach	1,943,270	-	-	1,943,270	1,880,332	-	-	1,880,332
Fundraising	3,469,715	-	-	3,469,715	2,959,705	-	-	2,959,705
Total support services	<u>5,412,985</u>	<u>-</u>	<u>-</u>	<u>5,412,985</u>	<u>4,840,037</u>	<u>-</u>	<u>-</u>	<u>4,840,037</u>
Total expenses	<u>12,600,732</u>	<u>-</u>	<u>-</u>	<u>12,600,732</u>	<u>12,820,760</u>	<u>-</u>	<u>-</u>	<u>12,820,760</u>
Change in net assets from operations prior to unrealized gain (loss) on investments	1,180,147	4,104,790	-	5,284,937	1,405,982	(1,024,134)	-	381,848
Unrealized gain (loss) on investments, net	5,538,130	144,600	-	5,682,730	(6,012,356)	(91,232)	-	(6,103,588)
Change in net assets related to activities (excluding land and conservation easement transactions)	<u>6,718,277</u>	<u>4,249,390</u>	<u>-</u>	<u>10,967,667</u>	<u>(4,606,374)</u>	<u>(1,115,366)</u>	<u>-</u>	<u>(5,721,740)</u>

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

## SAVE THE REDWOODS LEAGUE

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS, Continued

For the years ended March 31, 2017 and 2016

	2017			2016				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Land transactions and conservation easements</b>								
Revenue and public support:								
Land transactions and conservation easements:								
Contributions restricted for land acquisitions and transfers:								
Contributions and grants	-	676,816	-	676,816	-	3,469,004	-	3,469,004
Grants from state agency	-	325,000	-	325,000	-	-	-	-
	<u>-</u>	<u>1,001,816</u>	<u>-</u>	<u>1,001,816</u>	<u>-</u>	<u>3,469,004</u>	<u>-</u>	<u>3,469,004</u>
Total contributions restricted for land transactions and conservation easements	-	1,001,816	-	1,001,816	-	3,469,004	-	3,469,004
Net assets released for land and easement acquisitions, transfers, and grant for land protection	429,500	(429,500)	-	-	350,000	(350,000)	-	-
Expenses:								
Contributions of land to public agencies and other nonprofit organizations and conservation easements acquired:								
Land deeded to federal or state agency	-	-	-	-	300,000	-	-	300,000
Revaluation of a property	-	-	-	-	50,000	-	-	50,000
Conservation easement acquisition	325,000	-	-	325,000	-	-	-	-
Conservation easement deeded to public agency	104,500	-	-	104,500	-	-	-	-
	<u>429,500</u>	<u>-</u>	<u>-</u>	<u>429,500</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Contributions of land and easement and conservation easement acquired	429,500	-	-	429,500	350,000	-	-	350,000
Change in net assets related to land transactions and conservation easements acquired	-	572,316	-	572,316	-	3,119,004	-	3,119,004
Change in net assets related to activities (excluding land and conservation easement transactions (page 3))	6,718,277	4,249,390	-	10,967,667	(4,606,374)	(1,115,366)	-	(5,721,740)
Total change in net assets	6,718,277	4,821,706	-	11,539,983	(4,606,374)	2,003,638	-	(2,602,736)
Net assets, beginning of year	79,206,702	29,688,504	410,808	109,306,014	83,813,076	27,684,866	410,808	111,908,750
Net assets, end of year	<u>\$ 85,924,979</u>	<u>\$ 34,510,210</u>	<u>\$ 410,808</u>	<u>\$ 120,845,997</u>	<u>\$ 79,206,702</u>	<u>\$ 29,688,504</u>	<u>\$ 410,808</u>	<u>\$ 109,306,014</u>

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

**SAVE THE REDWOODS LEAGUE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the years ended March 31, 2017 and 2016

	2017				2016			
	Program Services	General, Administrative, and Outreach	Fundraising	Total	Program Services	General, Administrative, and Outreach	Fundraising	Total
<b>Operating activities (excluding land and conservation easement transactions)</b>								
Salaries and benefits	\$ 2,263,650	\$ 907,234	\$ 1,596,754	\$ 4,767,638	\$ 2,011,847	\$ 934,105	\$ 1,334,418	\$ 4,280,370
Program grants	1,447,540	-	-	1,447,540	1,675,346	-	-	1,675,346
Other project costs	437,458	-	-	437,458	728,832	-	-	728,832
Site improvements	250,120	-	-	250,120	602,167	-	-	602,167
Mapping services	137,282	-	600	137,882	322,832	-	-	322,832
Planning and design	974,294	-	-	974,294	927,578	-	-	927,578
Consultants	316,961	1,500	-	318,461	465,334	1,500	-	466,834
Appraisals and environmental costs	112,465	-	-	112,465	111,098	-	-	111,098
Occupancy	351,112	179,974	252,242	783,328	315,304	190,286	269,962	775,552
Printing and publications	202,834	46,550	649,269	898,653	117,230	28,393	645,005	790,628
Interest	8,067	-	-	8,067	44,432	-	-	44,432
Services and fees	144,831	410,350	416,506	971,687	149,649	297,105	255,549	702,303
Payroll taxes	129,227	54,734	103,671	287,632	115,168	57,801	91,895	264,864
Advocacy	3,000	-	-	3,000	6,000	-	-	6,000
Depreciation	110,693	55,604	79,523	245,820	99,359	59,396	85,071	243,826
Travel	96,690	19,891	37,903	154,484	65,080	21,809	38,983	125,872
Miscellaneous expenses	30,544	11,066	3,165	44,775	39,506	10,660	1,014	51,180
Conferences and meetings	64,195	34,079	72,957	171,231	50,002	43,921	41,727	135,650
Furniture and equipment	19,654	13,456	67,117	100,227	22,518	15,914	60,342	98,774
Insurance	25,732	12,926	18,486	57,144	21,334	12,753	18,266	52,353
Telephone	16,820	8,449	12,084	37,353	15,798	9,444	13,571	38,813
Supplies	10,219	4,452	6,015	20,686	10,159	6,517	7,546	24,222
Postage and shipping	9,021	10,832	17,257	37,110	8,943	22,497	11,864	43,304
Equipment rental and maintenance	4,433	2,227	3,184	9,844	4,618	2,761	4,079	11,458
Legal fees	17,823	-	11,811	29,634	36,836	338	3,991	41,165
Investment fees	-	110,176	-	110,176	-	112,004	-	112,004
Professional fundraising fees	253	-	102,686	102,939	1,649	-	55,682	57,331
Accounting fees	-	59,770	-	59,770	-	51,445	-	51,445
Other fundraising costs	2,829	-	18,485	21,314	12,104	1,683	20,740	34,527
Subtotal	<u>7,187,747</u>	<u>1,943,270</u>	<u>3,469,715</u>	<u>12,600,732</u>	<u>7,980,723</u>	<u>1,880,332</u>	<u>2,959,705</u>	<u>12,820,760</u>
<b>Land transactions and conservation easements</b>								
Conservation easement acquisition and easement decided to public agency	429,500	-	-	429,500	-	-	-	-
Land transactions and land valuation adjustment	-	-	-	-	350,000	-	-	350,000
Subtotal	<u>429,500</u>	<u>-</u>	<u>-</u>	<u>429,500</u>	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
Total	<u>\$ 7,617,247</u>	<u>\$ 1,943,270</u>	<u>\$ 3,469,715</u>	<u>\$ 13,030,232</u>	<u>\$ 8,330,723</u>	<u>\$ 1,880,332</u>	<u>\$ 2,959,705</u>	<u>\$ 13,170,760</u>

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

# SAVE THE REDWOODS LEAGUE

## STATEMENTS OF CASH FLOWS

For the years ended March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 11,539,983	\$ (2,602,736)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Contribution of land	-	300,000
Donated easement	104,500	-
Loss on revaluation of land	-	50,000
Forfeited deposit	-	(300,000)
Gain on sale of land	(12,000)	-
Depreciation	245,820	243,826
Net realized and unrealized gain on investments	(7,656,751)	3,696,952
Loss on sale of donated security	218	-
Investment income for long-term purposes	(49,132)	(45,476)
Change in value of beneficial interest in charitable remainder trusts	(328,757)	188,766
Contributions of beneficial interest in charitable remainder trusts	(651,880)	(147,645)
Discount on contributions, grants, pledges, and other receivables	825,605	-
Changes in:		
Restricted cash and cash equivalents	791,679	5,003
Contributions, grants, pledges, and other receivables, net	(2,048,397)	(2,748,173)
Deposits for land transactions	(500,000)	(415,000)
Other assets	68,683	29,605
Accounts payable and accrued liabilities	805,569	(127,779)
Additional cash used in real estate held land activities:		
Proceeds on easement sale	6,522,000	-
Acquisition of redwood lands	(1,100,000)	(730,000)
Net cash provided by (used in) operating activities	<u>8,557,140</u>	<u>(2,602,657)</u>
Cash flows from investing activities:		
Purchase of investments	(15,593,337)	(4,551,500)
Proceeds from sale of investments	7,731,091	15,013,129
Proceeds from notes receivable	41,484	40,062
Purchase of property and equipment	(7,382)	(31,425)
Net cash (used in) provided by investing activities	<u>(7,828,144)</u>	<u>10,470,266</u>
Cash flows from financing activities:		
Investment income for long-term purposes	49,132	45,476
Payments on notes payable	-	(6,666,667)
Proceeds from notes payable	1,100,000	-
Net cash provided by (used in) financing activities	<u>1,149,132</u>	<u>(6,621,191)</u>
Net increase in cash and cash equivalents	1,878,128	1,246,418
Cash and cash equivalents, beginning of year	<u>4,070,681</u>	<u>2,824,263</u>
Cash and cash equivalents, end of year	<u>\$ 5,948,809</u>	<u>\$ 4,070,681</u>
Supplemental disclosure:		
Cash paid for interest	<u>\$ -</u>	<u>\$ 133,175</u>

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



**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**1. Organization**

Save the Redwoods League (the “League”) has been protecting redwood lands for nearly 100 years. We are the only organization with the comprehensive approach needed to ensure that forests that take one thousand years to grow will be here for another thousand years.

- We **protect** redwood forests and the surrounding lands and waterways needed to nurture them either by acquisition or by conservation easement.
- We **restore** land that has been logged and surrounding lands that already protected redwood forests need to thrive.
- In an increasingly urbanized society that is often detached from the natural world, we **connect** people to the redwoods to promote the health benefits of spending time in nature and to inspire new generations to take care of our magical forests forever.

The transaction cycle in land conservation can require several years for completion because of its complexity. The League may hold land (reflected as real estate held) for many years before transferring it to a public agency or nonprofit land trust. These lands and forests are protected at the time of purchase and the League remains a steward of those lands until they are able to be transferred to a public agency or non-profit land trust for ongoing stewardship, public access and permanent protection.

Programmatic accomplishment is only recognized when the property is divested or a conservation easement is acquired and, therefore, program service expenses may vary significantly from one year to the next, without a commensurate reduction in support service costs. The League monitors all held conservation easements annually.

Protecting redwoods today is more complex and challenging than at the time of our founding in 1918. Our work is making a substantial impact in protecting some of the most magical places on the planet.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation and Accounting***

The financial statements of the League have been prepared on the accrual basis of accounting. To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the League are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net assets that are in accordance with specified activities or objectives.

Accordingly, all financial transactions have been recorded and reported by net asset groups as follows:

**Unrestricted**

These generally result from revenues generated by recognizing unrestricted contributions, interest from banks and notes receivable, net realized and unrealized gains or losses from investments (unless time-restricted) less expenses incurred in providing related services, raising contributions, and performing administrative functions. Unrestricted net assets include those resources that have been designated for special use by the Board of Directors (see Note 10).

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**2. Summary of Significant Accounting Policies, continued**

***Basis of Presentation and Accounting,*** continued

**Temporarily Restricted**

The League reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is met, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

**Permanently Restricted**

These stipulate that resources be maintained permanently but permit the League to use or expend all of the income (or other economic benefits) derived from the donated assets.

***Measure of Operations***

The League's measure of operations is its changes in net assets from operating activities, which includes all operating revenues and expenses that are an integral part of its non-land acquisition and transfers programs and supporting activities. Unrestricted contributions and net assets released from donor restrictions to support its operating activities are also included. The measure of operations excludes contributions restricted for land acquisitions and conservation easements, grants specifically restricted for land acquisitions and conservation easements, expenses directly related to transfers of land and conservation easements, and gains and losses on the sale or revaluation of lands.

***Endowments***

**Interpretation of Relevant Law**

The Board of Directors (the "Board") of the League has interpreted the State of California's enacted version of UPMIFA as requiring as a goal reasonable efforts to preserve the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the League classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts donated to the permanent endowment, and (3) additions to the permanent endowment in accordance with donor directions. 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 League in a manner consistent with the standard of prudence prescribed by California's enacted version of UPMIFA.

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**2. Summary of Significant Accounting Policies, continued**

*Endowments*, continued

**Spending Policy**

In accordance with the State of California's enacted version of UPMIFA, the League 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 purposes of the League 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 League
- 7) The investment policies of the League

The League has a policy of appropriating for distribution each year an amount of no more than 3 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the League considered the long-term expected return on its endowment. Accordingly, over the long term, the League expects the current spending policy to allow its endowment to grow at an average of 4 percent annually. This is consistent with the League's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The endowment of the League is currently in a building stage and the Board believes that there is not a sufficient base with which to spend or appropriate from the endowment at this time. As a result, the League has appropriated zero percent for spending in 2017 and 2016.

**Endowment Investment Policy - Return Objectives and Risk Parameters**

The League has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the League must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that approximate the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The League expects its endowment funds, over time, to provide an average rate of return of approximately 7 percent annually. Actual returns in any given year may vary from this amount (see Note 12).

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

***Revenue Recognition***

Contributions and grants are recognized when the donor makes a promise to give to the League that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**2. Summary of Significant Accounting Policies, continued**

***Revenue Recognition***, continued

Contributions from estates and trusts that are receivable at year end are reclassified to temporarily restricted contributions. In the event the receivable is received during the month after year end, it is recorded as an unrestricted contribution. The League received testamentary pledges in the current year, whereby, the donor will fulfill the pledge against their estate upon dissolution. These pledges are discounted to the present value using a discount rate of 5% and applicable published actuarial tables.

The League recognizes revenue from government sources at the time of the close of escrow for a land acquisition or as work is completed, or at the time of receipt of funds, if for another programmatic purpose. Revenue from government sources is received in the form of state and federal grants.

Contributions related to estates and charitable remainder trusts are recognized when the League has obtained a copy of a court order, or all of the following documents: letter of notification as beneficiary; trust agreement or will; and an estimate and/or list of assets and valuation to be distributed. The League does not record an allowance on their contributions receivable because historically, the League has collected all receivables. A 7.5% contingency provision is deducted from the receivables to account for fluctuations in the values of assets and closing costs.

Unconditional promises to give due within five years are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using the average rate the League is earning on its investments.

***Donated Land***

Donated land is recognized as support and is recorded at its estimated fair value as appraised by third-party consultants at the date of the donation.

***Contributed Services and Goods***

Contributed professional services are recognized as in-kind revenues at their estimated fair value if they require specialized skills that would need to be purchased if they were not donated. Contributed goods are recognized as in-kind revenues at their estimated fair value. For the years ended March 31, 2017 and 2016, the League recognized in-kind services of \$1,810 and \$1,797, respectively, for legal and consulting services. For the years ended March 31, 2017 and 2016, the League recognized in-kind goods of \$2,830 and \$0, respectively.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of cash and all highly-liquid investments (primarily commercial paper) with original maturities of three months or less at date of purchase.

***Restricted Cash and Cash Equivalents***

These funds are held in separate bank accounts and are restricted for the purpose of monitoring easements to protect marbled murrelets, an endangered species of bird that nests in the ancient redwoods, restoration and also to cover administrative costs of monitoring these easements, and for grove maintenance.

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**  
March 31, 2017 and 2016

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**2. Summary of Significant Accounting Policies, continued**

***Investments***

The League maintains liquidity sufficient to respond to conservation opportunities.

The League carries investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values. Investments received through gifts are recorded at estimated fair value at the date of receipt of donation. Gains or losses that result from market fluctuations are recognized in the period such fluctuations occur. For the years ended March 31, 2017 and 2016, the League received \$422,955 and \$539,893 in donated stocks, respectively.

***Real Estate Held***

Real estate held is recorded at cost if purchased or estimated fair value at the date of the gift, if donated. Real estate held is valued by a certified general appraiser at the time of negotiation for its acquisition from the seller. It is valued at its original fair market value at the time of acquisition and, except in the rare circumstance that there is a significant diminution in value, it remains at that same value until such time as a new appraisal establishes its current fair market value at the time of disposition. No such revaluations occurred during the years ended March 31, 2017 and 2016. It is not a goal of the League to profit from its land transactions.

The majority of the League's real estate held is intended to be transferred to governmental agencies, conservation partners or other appropriate alternate permanent stewards. Transfer of property may frequently be a lengthy process.

Transfer of the land is recognized at fair value of the land transferred on the date of transfer. A gain or loss on revaluation of land is recorded for the difference between the fair value upon reappraisal and the carrying amount of the land. A gain or loss on sale of land or easement is recorded for the difference between the fair value upon transfer date and carrying amount of the land. The League incurred gain of \$12,000 and \$0 in the years ended March 31, 2017 and 2016. Temporarily restricted net assets are released from restriction based on the historical cost of the property.

***Property and Equipment***

Property and equipment purchased is stated at cost and is capitalized if these expenditures exceed \$3,000. Assets acquired by contribution or bequest are stated at market value at the date of acquisition.

Depreciation is provided using the straight-line method over the asset's estimated useful life ranging from three to seven years. Maintenance and repairs are charged to expense as incurred.

Leasehold improvements are recorded at cost and amortized over the shorter of their estimated useful lives or the terms of the applicable lease.

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**2. Summary of Significant Accounting Policies, continued**

***Notes Receivable***

Notes receivable are carried at unpaid principal balances. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. Management evaluates the collectability of notes receivable on an annual basis. In making that determination, management has evaluated historical loan loss experience, financial condition of the borrower and current economic conditions that lead to default. The allowance for loan losses is maintained at a level which, in management's judgment, is adequate to absorb credit losses inherent on the loans. As of March 31, 2017 and 2016, notes receivable are considered by management to be fully collectible and, accordingly, no allowance is considered necessary.

***Beneficial Interest in Charitable Remainder Trusts***

The League is the remainder beneficiary of various charitable remainder trusts. A charitable remainder trust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the League's use. The portion of the trust attributable to the future interest of the League is recorded in the statements of activities and changes in net assets as temporarily restricted contributions in the period the trust is established. Assets held in the charitable remainder trusts are recorded at fair market value as contributions receivable from irrevocable trusts. The present value of the estimated future payments is calculated using an assumed investment rate of return at 6%, a discount rate of 5%, and the applicable mortality tables. Due to annual payments being made to current beneficiaries from certain trusts over the trust's term, there is a slight possibility that the trust's assets will be exhausted before distribution to the League.

***Grants Payable and Expense***

Unconditional grants are recognized as grant expense and a liability when the grant agreement is signed by both parties. Those unconditional grants that are expected to be paid in less than one year are measured at net settlement value. Unconditional grants that are expected to be paid in more than one year are measured at the present value of the estimated future cash flows. Grant refunds are recorded as a reduction of grant expense at the time the League becomes aware the grant will be refunded. Grants made to other organizations for the purpose of land acquisitions are treated as land transactions in the statements of activities and changes in net assets. Grants made for other purposes are treated as program service expenses.

***Easement Policy***

Conservation easements are expensed as a program expense in the period they are purchased or donated to the League. Sales of conservation easements on real estate held by the League to public agencies are recorded as decreases in the basis of the real estate held in the statement of financial position. For the year ended March 31, 2017, the League purchased one conservation easement for \$325,000, financed by a state grant of \$325,000. The League also sold an easement with a fair value of \$6,104,500 against real estate held with a net book value of \$11,245,000 for approximately \$6 million resulting in a donated easement expense of \$104,500. For the year ended March 31, 2016, there were no conservation easements purchased or sold. The League did not receive donated conservation easements for the years ended March 31, 2017 and 2016.

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**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**2. Summary of Significant Accounting Policies, continued**

***Functional Expense Allocations***

Expenses such as depreciation, supplies, travel, personnel, and occupancy costs, are allocated among program services, general, administrative, and outreach, and fundraising classifications on the basis of time estimates, head counts, and other criteria determined by the League's management.

***Fair Value Measurements***

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The League classifies its financial assets and liabilities according to the following hierarchy, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

*Level 1* – quoted prices in active markets for identical investments.

*Level 2* – other significant observable inputs (including quoted prices for similar instruments, interest rates, prepayment speeds, credit risk, etc.)

*Level 3* – significant unobservable inputs (including the League's own assumptions in determining fair value instruments).

The valuation levels are not necessarily an indication of the risk or liquidity associated with the investments.

***Income Taxes***

The Internal Revenue Service has determined that the League is exempt from federal income tax under Section 501(c)(3) in the Internal Revenue Code. However, income from activities not related to its tax-exempt purpose may be subject to taxation as unrelated business income. No provision has been made for income taxes in these financial statements.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Reclassifications***

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**3. Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents**

The League's cash and cash equivalents, and restricted cash and cash equivalents at March 31, are as follows:

	2017	2016
Money market fund	\$ 4,367,269	\$ 2,394,056
Demand deposits	1,581,290	1,676,375
Petty cash	250	250
Cash and cash equivalents	\$ 5,948,809	\$ 4,070,681
Restricted cash and cash equivalents	\$ 37,415	\$ 829,094

**4. Contributions, Grants, and Other Receivable**

As of March 31, 2017, the League is a beneficiary for a total of thirty-one estates and trusts. One contribution has a restricted purpose, and the other thirty contributions have no restricted purpose, but have been recorded as temporarily restricted net assets due to a time restriction. As of March 31, 2017 and 2016, the balance of contributions, grants, and other receivables was:

	2017	2016
Contributions receivable:		
Bequests, net of provision of \$319,718 and \$349,794, respectively	\$ 4,501,276	\$ 5,501,171
Pledges, net of provision of \$155,263 and \$30,300, respectively, and discount of \$14,563 and \$0, respectively	2,208,431	450,554
Testamentary pledges, net of provision of \$64,797 and discount of \$811,042	799,161	-
Total contributions receivable	7,508,868	5,951,725

Continued



**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

**4. Contributions, Grants, and Other Receivable, continued**

Total contributions, grants, and other receivables, continued

	2017	2016
Grants receivable:		
Acquisition for specifically identified redwood lands	372,000	1,200,000
Restoration and trail construction	137,423	176,307
Vibrant Forest Plan	-	87,000
Redwoods and Climate Change Initiative	5,000	50,000
Conservation	10,000	15,000
Centennial Celebration	400,000	-
Total grants receivable	924,423	1,528,307
Other receivables	283,855	14,540
Total contributions, grants, and other receivables	\$ 8,717,146	\$ 7,494,572

Total contributions and grants receivables are expected to be collected as follows.

For the fiscal years ending March 31:	
2018	\$ 5,768,417
2019	726,176
2020	610,851
2021	535,000
2022	435,000
Thereafter	1,723,230
	\$ 9,798,674

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**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

**5. Investments and Fair Value Measurements**

The following table presents balances of assets measured at fair value on a recurring basis:

	As of March 31, 2017		
	Level 1	Level 2	Total
Assets:			
Cash equivalents	\$ 4,404,684	\$ -	\$ 4,404,684
Endowment fund:			
Exchange traded fund	1,350	-	1,350
Endowment exchange - International Stock Fund	101,572	-	101,572
Endowment exchange - Stock Fund	785,757	-	785,757
Total endowment fund	888,679	-	888,679
Investments:			
Money market fund held for investment purposes	2,316,121	-	2,316,121
Fixed Income:			
Income Fund	24,734,660	-	24,734,660
Corporate issues	2,157,923	-	2,157,923
US government issues	6,000,960	-	6,000,960
Total fixed income	32,893,543	-	32,893,543
Equity Securities:			
Energy	1,993,074	-	1,993,074
Materials	273,242	-	273,242
Industrials	1,021,736	-	1,021,736
Consumer discretionary	3,855,463	-	3,855,463
Consumer staples	358,694	-	358,694
Healthcare	4,652,965	-	4,652,965
Financials	8,805,221	-	8,805,221
Information technology	4,433,043	-	4,433,043
Telecommunication services	460,600	-	460,600
Total equity securities	25,854,038	-	25,854,038
Mutual Funds:			
International Stock Fund	8,326,619	-	8,326,619
Large Growth Fund	39,612	-	39,612
Total investments	69,429,933	-	69,429,933
Beneficial interest in charitable remainder trusts	-	4,837,993	4,837,993
Total	\$ 74,723,296	\$ 4,837,993	\$ 79,561,289

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**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

**5. Investments and Fair Value Measurements, continued**

	As of March 31, 2016		
	Level 1	Level 2	Total
Assets:			
Cash equivalents	\$ 3,223,150	\$ -	\$ 3,223,150
Endowment fund:			
Endowment exchange - International Stock Fund	1,228	-	1,228
Endowment exchange - Stock Fund	693,719	-	693,719
Total endowment fund	694,947	-	694,947
Investments:			
Money market fund held for investment purposes	1,207,484	-	1,207,484
Fixed Income:			
Income Fund	22,086,333	-	22,086,333
Corporate issues	1,561,325	-	1,561,325
Total fixed income	23,647,658	-	23,647,658
Equity Securities:			
Energy	1,712,137	-	1,712,137
Materials	227,196	-	227,196
Industrials	1,279,713	-	1,279,713
Consumer discretionary	3,667,961	-	3,667,961
Consumer staples	532,922	-	532,922
Healthcare	3,523,505	-	3,523,505
Financials	6,852,253	-	6,852,253
Information technology	5,068,287	-	5,068,287
Telecommunication services	153,985	-	153,985
Total equity securities	23,017,959	-	23,017,959
Mutual Funds:			
International Stock Fund	6,217,345	-	6,217,345
Large Growth Fund	33,062	-	33,062
Total investments	54,123,508	-	54,123,508
Beneficial interest in charitable remainder trusts	-	3,838,516	3,838,516
Total	\$ 58,041,605	\$ 3,838,516	\$ 61,880,121

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**5. Investments and Fair Value Measurements, continued**

Net investment gain at March 31, is comprised of the following:

	2017	2016
Dividends and interest	\$ 1,413,764	\$ 1,587,517
Realized gain on sale of investments, net	1,974,021	2,406,636
Unrealized gain (loss) on investments, net	5,682,730	(6,103,588)
Net gain (loss) from investments	\$ 9,070,515	\$ (2,109,435)

Investment fees for the years ended March 31, 2017 and 2016 amounted to \$110,176 and \$112,004, respectively.

**6. Property and Equipment**

The League's property and equipment consist of the following at March 31:

	2017	2016
Office equipment	\$ 701,036	\$ 721,259
Leasehold improvements	1,372,744	1,435,416
	2,073,780	2,156,675
Less accumulated depreciation and amortization	(676,390)	(520,847)
	\$ 1,397,390	\$ 1,635,828

Depreciation expense for the years ended March 31, 2017 and 2016 was \$245,820 and \$243,826, respectively.

**7. Notes Receivable**

The League has two promissory notes. The promissory notes are from one donor who made a \$500,000 matching grant for the redwoods and climate change initiative in fiscal year 2010. During fiscal year March 31, 2013, the League was able to fulfill the entire matching grant. Each promissory note is payable in 40 quarterly payments and bears an interest rate equivalent to the Wall Street Journal prime rate at the date of the issuance of the promissory note. The rates for the promissory notes were 3.69% and 3.46%, respectively.

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**7. Notes Receivable, continued**

The anticipated principal repayments to the League on notes receivable are scheduled to be as follows:

For the fiscal years ending March 31:	
2018	\$ 34,139
2019	44,172
2020	45,741
2021	38,280
2022	9,778
	\$ 172,110

**8. Accounts Payable and Accrued Liabilities**

At March 31, accounts payable and accrued liabilities consisted of the following:

	2017	2016
Accounts payable	\$ 596,724	\$ 357,761
Grant payable	457,696	-
Deferred compensation	110,014	120,144
Accrued vacation	286,115	232,253
Deferred rent	336,950	283,415
Accrued interest	8,067	-
Other accrued liabilities	6,851	3,275
	\$ 1,802,417	\$ 996,848
Total accrued liabilities		

**9. Notes Payable**

During fiscal year 2017, the League entered into an unsecured note payable to an independent third party for \$1,100,000 for the acquisition of a property in Humboldt County, with an annual interest rate of 1%. The note will mature on the earlier of the four-year anniversary of the closing date of the acquisition of the property or the date on which the League sells the property to United States Bureau of Land Management. During fiscal year 2014, the League had an unsecured note payable to an independent third party of \$5,000,000. The funds were used to acquire redwood land property for future divestment to an unidentified third party. The League repaid the note in June 2015. During fiscal year 2013, the League entered into two unsecured notes payable in connection with a land and easement purchase in San Mateo County. The League paid in full the notes payable, and there is no remaining outstanding balance as of March 31, 2016. Accrued interest as of March 31, 2017 and 2016 was \$8,067 and \$0, respectively.

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

**10. Board Designated Funds**

The League's Board of Directors approved five Board-designated funds. Board designations of unrestricted net assets were as follows at March 31:

	2017	2016
Land and Conservation Easement Stewardship Fund	\$ 22,000,000	\$ 21,000,000
Park Enhancement Fund	27,000,000	24,000,000
Land and Conservation Easement Acquisition Opportunity Fund	10,000,000	10,000,000
Science and Education Fund	5,500,000	5,500,000
Operating Expense Reserve	15,700,000	12,200,000
Total Board Designated Funds	\$ 80,200,000	\$ 72,700,000

**11. Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes or periods:

	2017	2016
Time restricted	\$ 5,273,803	\$ 3,259,523
Land and easement conservation	19,740,737	17,862,347
Program activities	8,680,417	7,569,080
Parks enhancement	507,307	599,728
Science, research and education	307,946	397,826
Total temporarily restricted net assets	\$ 34,510,210	\$ 29,688,504

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	2017	2016
Time restriction	\$ 2,462,130	\$ 3,259,523
Purposes restriction accomplished:		
Conservation easement	429,500	350,000
Redwood land program support	1,021,399	2,501,407
Grants	1,106,946	1,439,645
	2,557,845	4,291,052
	\$ 5,019,975	\$ 7,550,575

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

**12. Permanently Restricted Net Assets**

Net assets were permanently restricted for future operations of the League.

Endowment net asset composition by type of fund for the fiscal year ended March 31, are as follows:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 477,871	\$ 410,808	\$ 888,679
Total funds	\$ -	\$ 477,871	\$ 410,808	\$ 888,679
	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 284,139	\$ 410,808	\$ 694,947
Total funds	\$ -	\$ 284,139	\$ 410,808	\$ 694,947

Changes in endowment net assets for the fiscal years ended March 31, is as follows:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ 284,139	\$ 410,808	\$ 694,947
Investment return:				
Investment income	-	49,132	-	49,132
Net unrealized appreciation	-	144,600	-	144,600
Total investment return	-	193,732	-	193,732
Contributions	-	-	-	-
Endowment net assets, end of year	\$ -	\$ 477,871	\$ 410,808	\$ 888,679

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

**12. Permanently Restricted Net Assets, continued**

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ -	\$ 329,894	\$ 410,808	\$ 740,702
Investment return:				
Investment income	-	45,476	-	45,476
Net unrealized appreciation	-	(91,231)	-	(91,231)
Total investment return	-	(45,755)	-	(45,755)
Contributions	-	-	-	-
Endowment net assets, end of year	\$ -	\$ 284,139	\$ 410,808	\$ 694,947

**13. Employee Benefit Plans**

In 2002, the League established a defined contribution retirement plan (401(k) Plan) under Section 401(k) of the Internal Revenue Code. The 401(k) Plan covers all eligible employees of the League and provides for voluntary salary deferrals up to certain amounts. The League may elect to make various types of matching contributions as prescribed under the 401(k) Plan agreement. Annually, the Board approves a safe harbor contribution and an employer matching contribution, which were 3% and 5%, respectively, for the current year. The total expense related to the 401(k) Plan was \$283,203 and \$263,811 for the years ended March 31, 2017 and 2016, respectively.

**14. Joint Costs**

For the years ended March 31, 2017 and 2016, the League incurred joint costs of \$230,137 and \$342,882, respectively, for informational materials and website content, both digital and hard copy productions and activities that included elements of programmatic, general and administrative, and fundraising expenses. For the years ended March 31, 2017 and 2016, the League allocated \$3,341 and \$8,786 to general and administrative expense, \$13,459 and \$27,588 to fundraising expense, and \$213,337 and \$306,508, respectively, to program expense.

Continued



**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

**15. Commitments and Contingencies**

In December 2014, the League’s lease for its office location expired. In February 2014, the League signed a 10-year lease with two 5-year renewal options for the new office space with an early occupancy date of September 2014. Monthly rent for the new office lease is approximately \$57,300 with annual increases of approximately 3%. Minimum future rental payments under the new lease are summarized as follows:

	Cash	Expense	Deferral
March 31:			
2018	\$ 713,508	\$ 746,260	\$ (32,752)
2019	734,913	746,260	(11,347)
2020	756,960	746,260	10,700
2021	779,669	746,260	33,409
2022	803,059	746,260	56,799
Thereafter	2,332,360	2,052,219	280,141
	\$ 6,120,469	\$ 5,783,519	\$ 336,950

Rent expense for the years ended March 31, 2017 and 2016 was \$746,260 and \$746,260, respectively. Deferred rent as of March 31, 2017 and 2016 was \$336,950 and \$283,415, respectively.

**16. Concentration of Credit Risk**

***Cash and Cash Equivalents***

The League maintains cash and cash equivalents with two well established and widely used financial institutions which have a sound reputation, which are regularly monitored by management. As of March 31, 2017 and 2016, the League was in excess of the federal depository insurance limit.

***Investments***

The League’s credit risk is inherent principally in its investments. As of March 31, 2017 and 2016, investments were comprised of money market funds, fixed income and equity securities. The investments are maintained with three well established and widely used financial institutions which have a sound reputation. Credit risk is limited by diversifying the League’s investments among a variety of high-quality issuers, and the composition and maturities are regularly monitored by management. Investments are secured up to a limit set by the Securities Investor Protection Corporation (“SIPC”). As of March 31, 2017 and 2016, the League held investments in excess of the SIPC insurance limits.

***Real Estate Held***

The League holds a total of twenty-one properties as of March 31, 2017 in various counties: Tuolumne, Mariposa, Del Norte, Monterey, Mendocino, Napa, Humboldt, San Mateo, Santa Cruz, and Sonoma. Of these properties, 39%, 32%, 15%, and 10% of real estate held is held in Mendocino, Sonoma, San Mateo, and Humboldt Counties, respectively, at March 31, 2017.

Continued

**SAVE THE REDWOODS LEAGUE**  
**NOTES TO FINANCIAL STATEMENTS**

March 31, 2017 and 2016

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**16. Concentration of Credit Risk**, continued

***Real Estate Held***, continued

As of March 31, 2016, the League held a total of twenty-three properties with 39%, 32%, 15%, and 10% of real estate held is held in Mendocino, Sonoma, San Mateo, and Humboldt Counties, respectively.

***Revenue and Receivables***

The League's revenue is derived from individual contributions and bequests from throughout North America, state and federal grants, and investment income. For the year ended March 31, 2017, there were no donors who accounted for 10% or more of revenue from contributions and bequests. For the year ended March 31, 2016, there were no donors who accounted for 10% or more of revenue from contributions and bequests.

As of March 31, 2017 and 2016, three irrevocable trusts comprised 65% and two irrevocable trusts comprised 63% of the beneficial interest in charitable remainder trusts, respectively.

As of March 31, 2017 and 2016, three donors comprised 32% and two donors comprised 35% of the contributions receivable balance, respectively.

As of March 31, 2017 and 2016, two grants comprised 71% and three grants comprised 87% of the grants receivable balance, respectively.

As of March 31, 2017 and 2016, four donors comprised 74% and four donors comprised 70% of the pledge receivable balance, respectively.

As of March 31, 2017, two donors comprised 92% of the testamentary pledges receivable balance. There were no testamentary pledges receivable in 2016.

As of March 31, 2017 and 2016, one individual comprised 100% of the notes receivable balance, and it is unsecured.

**17. Subsequent Events**

The League has evaluated events that occurred during the period subsequent to March 31, 2017 through July 11, 2017, the date the financial statements were available to be issued. The League concluded that no material subsequent events have occurred since March 31, 2017 that require recognition or disclosure in such financial statements.