# ILLINOIS AUDUBON SOCIETY

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

March 31, 2026 and 2025

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# Independent Auditors' Report

Board of Directors
Illinois Audubon Society
Springfield, Illinois

## Opinion

We have audited the accompanying financial statements of Illinois Audubon Society (a nonprofit organization), which comprise the statement of financial position as of March 31, 2026 and 2025, 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 Illinois Audubon Society as of March 31, 2026 and 2025, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Illinois Audubon Society and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, including omissions, 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 Illinois Audubon Society'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 Illinois Audubon Society's ability to continue as a going concern for a reasonable period of time.

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

Eck, Schafer & Pruitt, LLP

Springfield, Illinois
September 25, 2026

Illinois Audubon Society

STATEMENTS OF FINANCIAL POSITION

March 31

ASSETS

| | 2026 | 2025 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 660,895 | $ 41,308 |
| Investments | 42,209,896 | 39,392,074 |
| Prepaid expenses | 1,423 | 1,122 |
| Total current assets | 42,872,214 | 39,434,504 |
| PROPERTY AND EQUIPMENT, NET | 9,265,331 | 10,601,763 |
| OTHER ASSETS | | |
| Endowment | 385,993 | 385,993 |
| Restricted cash | 376,919 | 289,237 |
| Restricted investments | 4,106,935 | 3,628,902 |
| Restricted property | 2,151,655 | 2,151,655 |
| Total other assets | 7,021,502 | 6,455,787 |
| Total assets | $ 59,159,047 | $ 56,492,054 |

LIABILITIES AND NET ASSETS

| | | |
|---|---|---|
| LIABILITIES | | |
| Accounts payable and accrued expenses | $ 28,102 | $ 28,611 |
| NET ASSETS | | |
| Without donor restrictions | | |
| Undesignated | (1,338,096) | (21,957) |
| In property and equipment | 9,265,331 | 10,601,763 |
| Board designated | 44,182,208 | 39,471,273 |
| Total without donor restrictions | 52,109,443 | 50,051,079 |
| With donor restrictions | 7,021,502 | 6,412,364 |
| Total net assets | 59,130,945 | 56,463,443 |
| Total liabilities and net assets | $ 59,159,047 | $ 56,492,054 |

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

Illinois Audubon Society

STATEMENTS OF ACTIVITIES

Year Ended March 31, 2026

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| REVENUES AND OTHER SUPPORT | | | |
| Contributions | $ 444,400 | $ 121,054 | $ 565,454 |
| Net investment income | 5,640,239 | 501,464 | 6,141,703 |
| Membership dues | 87,084 | - | 87,084 |
| Contract and grant income | - | 1,503 | 1,503 |
| Farm income | 15,506 | - | 15,506 |
| Programs and projects | 43,215 | - | 43,215 |
| Other income | 837 | - | 837 |
| | 6,231,281 | 624,021 | 6,855,302 |
| Net assets released from restrictions | 14,883 | (14,883) | - |
| Total revenues and other support | 6,246,164 | 609,138 | 6,855,302 |
| EXPENSES | | | |
| Program services | 3,656,890 | - | 3,656,890 |
| Supporting activities | | | |
| Management and general | 489,656 | - | 489,656 |
| Membership development and fundraising | 41,254 | - | 41,254 |
| Total expenses | 4,187,800 | - | 4,187,800 |
| CHANGE IN NET ASSETS | 2,058,364 | 609,138 | 2,667,502 |
| NET ASSETS AT BEGINNING OF YEAR | 50,051,079 | 6,412,364 | 56,463,443 |
| NET ASSETS AT END OF YEAR | $ 52,109,443 | $ 7,021,502 | $ 59,130,945 |

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

Illinois Audubon Society

STATEMENTS OF ACTIVITIES

Year Ended March 31, 2025

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|---|---|---|
| REVENUES AND OTHER SUPPORT | | | |
| Contributions | $ 1,750,229 | $ 97,565 | $ 1,847,794 |
| Net investment income | 1,958,180 | 290,952 | 2,249,132 |
| Membership dues | 89,517 | - | 89,517 |
| Contract and grant income | - | 119,826 | 119,826 |
| Farm income | 15,706 | - | 15,706 |
| Programs and projects | 18,386 | - | 18,386 |
| Other income | 13,058 | - | 13,058 |
| | 3,845,076 | 508,343 | 4,353,419 |
| Net assets released from restrictions | 2,272,335 | (2,272,335) | - |
| Total revenues and other support | 6,117,411 | (1,763,992) | 4,353,419 |
| EXPENSES | | | |
| Program services | 1,250,882 | - | 1,250,882 |
| Supporting activities | | | |
| Management and general | 404,460 | - | 404,460 |
| Membership development and fundraising | 45,725 | - | 45,725 |
| Total expenses | 1,701,067 | - | 1,701,067 |
| CHANGE IN NET ASSETS | 4,416,344 | (1,763,992) | 2,652,352 |
| NET ASSETS AT BEGINNING OF YEAR | 45,634,735 | 8,176,356 | 53,811,091 |
| NET ASSETS AT END OF YEAR | $ 50,051,079 | $ 6,412,364 | $ 56,463,443 |

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

Illinois Audubon Society

SCHEDULE OF FUNCTIONAL EXPENESES

Year Ended March 31, 2026

| | Program Services | Supporting Activities: Management and General | Supporting Activities: Member Development and Fundraising | Total |
|---|---|---|---|---|
| Payroll and related | $ 332,030 | $ 178,785 | $ - | $ 510,815 |
| Other operating | 226,897 | 144,389 | 41,254 | 412,540 |
| Publication | 47,723 | - | - | 47,723 |
| Maintenance and utilities | 17,377 | 11,585 | - | 28,962 |
| Professional fees | 43,957 | 102,567 | - | 146,524 |
| Special events and projects | 85,397 | - | - | 85,397 |
| Partnerships | 2,846,971 | - | - | 2,846,971 |
| Travel and meeting | 13,069 | 8,712 | - | 21,781 |
| Taxes and fees | - | 14,639 | - | 14,639 |
| Depreciation | 43,469 | 28,979 | - | 72,448 |
| | $ 3,656,890 | $ 489,656 | $ 41,254 | $ 4,187,800 |

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

Illinois Audubon Society

SCHEDULE OF FUNCTIONAL EXPENESES

Year Ended March 31, 2025

| | Program Services | Supporting Activities: Management and General | Supporting Activities: Member Development and Fundraising | Total |
|---|---|---|---|---|
| Payroll and related | $ 273,795 | $ 147,429 | $ - | $ 421,224 |
| Other operating | 251,490 | 160,039 | 45,725 | 457,254 |
| Publication | 47,279 | - | - | 47,279 |
| Maintenance and utilities | 14,186 | 9,457 | - | 23,643 |
| Professional fees | 13,180 | 30,755 | - | 43,935 |
| Special events and projects | 80,348 | - | - | 80,348 |
| Partnerships | 507,646 | - | - | 507,646 |
| Travel and meeting | 9,009 | 6,006 | - | 15,015 |
| Taxes and fees | - | 14,809 | - | 14,809 |
| Depreciation | 53,949 | 35,965 | - | 89,914 |
| | $ 1,250,882 | $ 404,460 | $ 45,725 | $ 1,701,067 |

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

Illinois Audubon Society

STATEMENTS OF CASH FLOW

Years Ended March 31

| | 2026 | 2025 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | $ 2,667,502 | $ 2,652,352 |
| Adjustments to reconcile the change in net assets to net cash flows from operating activities | | |
| Realized gain on investments | (1,876,920) | (333,473) |
| Unrealized gain on investments | (3,017,599) | (644,146) |
| Donation of land | 2,582,582 | 194,769 |
| Depreciation | 72,448 | 89,914 |
| Changes in assets and liabilities | | |
| Prepaid expenses | (301) | (450) |
| Grant receivable | - | 35,000 |
| Accounts payable and accrued expenses | (509) | 18,941 |
| Net cash flows from operating activities | 427,203 | 2,012,907 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of investments | 17,658,249 | 7,116,187 |
| Purchase of investments | (16,059,585) | (7,465,754) |
| Purchase of property and equipment | (1,318,598) | (1,798,235) |
| Net cash flows from investing activities | 280,066 | (2,147,802) |
| NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH | 707,269 | (134,895) |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR | 330,545 | 465,440 |
| CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR | $ 1,037,814 | $ 330,545 |

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

Illinois Audubon Society

NOTES TO FINANCIAL STATEMENTS

March 31, 2026 and 2025

## NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

The Illinois Audubon Society (the Society) is a private, nonprofit organization dedicated to the perpetuation and appreciation of the native flora and fauna of Illinois and the habitats that support them. The Society's work includes the initiation, assistance and support for programs that seek to protect the native plants and animals and their unique environments, and to educate and involve the public in their protection and appreciation.

2. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

3. Basis of Presentation

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

*Net Assets Without Donor Restrictions* - Net assets that are not subject to donor-imposed restrictions. These include internally designated funds, since such designations may be reversed at any time. The Society also segregates unrestricted property and equipment in order to show these amounts are not currently available for operations.

*Net Assets With Donor Restrictions* - Net assets subject to donor-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 resources was restricted has been fulfilled, or both.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Cash Equivalents

For purposes of the statement of cash flows, the Society considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless they are maintained within an investment portfolio.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

| | 2026 | 2025 |
|---|---|---|
| Cash and cash equivalents | $ 660,895 | $ 41,308 |
| Restricted cash | 376,919 | 289,237 |
| Total cash, cash equivalents, and restricted cash shown in the statement of cash flows | $ 1,037,814 | $ 330,545 |

5. Investments

Investments are carried at fair value. Accounting principles generally accepted in the United States of America defines fair value 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 fair value should be based on assumptions that market participants would use, including a consideration of non-performance risk. Realized and unrealized gains and losses are included in the statement of activities. The Society follows the practice of widely diversifying its investments to mitigate concentrations of credit risk with respect to investments.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Property and Equipment

The Society capitalizes property and equipment with an individual value of $ 5,000 or more at cost when purchased or estimated fair value when donated. Buildings, land improvements, equipment and furnishings are depreciated using the straight-line method over their estimated useful lives as follows:

| | |
|---|---|
| Buildings | 40 years |
| Land improvements | 15 years |
| Equipment and furnishings | 5 - 10 years |

7. Receivables

Receivables consist primarily of program grants. The Society considers receivables to be fully collectible, accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

8. Revenue Recognition

*Membership Dues*

Membership dues are recognized ratably over the period of membership, which is on a fiscal-year basis. Benefits are recognized ratably over the membership period since this most closely approximates the transfer of such member services.

*Program Events*

The Society recognizes revenue when the related event is held, and performance obligations are met.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Revenue Recognition - Continued

*Contributions*

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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.

*In-kind Contributions*

Donated noncash assets are recorded at fair value when received. Donated services that create or enhance nonfinancial assets are provided by individuals possessing specialized skills, and would typically be purchased, are recorded at fair value in the period received.

9. Income Taxes

The Society is exempt from Federal and State income taxes on related income under Section 501(a) of the Internal Revenue Code, as a not-for-profit organization described under Section 501(c)(3) of the Code. In addition, the Society has been classified as an organization that is not a private foundation under Section 509(a)(1).

The Society follows accounting principles generally accepted in the United States of America related to the accounting for uncertainty in income taxes, which sets a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Society has reviewed the tax positions taken for the open tax years as of March 31, 2026, and it was determined that no provision for uncertain tax positions is required.

NOTE A - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

10. Functional Expenses

The costs of providing program services and other supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program services, management and general, fundraising, occupancy and supporting services benefited. Such allocations are determined by management on an equitable basis.

11. Use of Estimates

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Subsequent Events

The Society assessed events that have occurred subsequent to March 31, 2026 through September 25, 2026, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

13. Reclassifications

Certain reclassifications have been made to the 2025 amounts to conform to the 2026 presentation.

## NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Society's financial assets as of March 31, 2026 and 2025, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of donor restrictions or internal board designations. In the event the need arises to utilize the board designated funds for liquidity purposes, the reserves could be drawn upon through board resolution.

| | 2026 | 2025 |
|---|---|---|
| Financial assets at year-end | | |
| Cash, cash equivalents and restricted cash | $ 1,037,814 | $ 330,545 |
| Endowment and other investments | 46,702,824 | 43,406,969 |
| Total financial assets | 47,740,638 | 43,737,514 |
| Board designated funds | 44,182,208 | 39,471,273 |
| Purpose-restricted net assets | 4,483,854 | 3,918,139 |
| Donor-restricted endowment funds | 385,993 | 385,993 |
| Financial assets available to meet cash needs for general expenditures within one year | $ (1,311,417) | $ (37,891) |

The above table reflects donor-restricted and board-designated endowment funds as unavailable because it is the Society's intention to invest those resources for the long-term support of the Society. Note H provides more information about those funds and about the spending policies for all endowment funds.

## NOTE C - INVESTMENTS

Investments, at fair value, consisted of the following at March 31:

| | 2026 | 2025 |
|---|---|---|
| Money market funds | $ 899,707 | $ 1,533,156 |
| Common stocks | 5,710,459 | 2,256,082 |
| Equity exchange traded funds | 23,955,505 | 23,529,637 |
| Fixed income exchange traded funds | 12,956,222 | 14,478,387 |
| Corporate bonds | 1,288,884 | - |
| Hedge funds | 832,020 | 782,473 |
| Real estate index funds | - | 662,650 |
| Private equity funds | 1,060,027 | 164,584 |
| | $ 46,702,824 | $ 43,406,969 |

Investments, by net asset class, consisted of the following at March 31:

| | 2026 | 2025 |
|---|---|---|
| Unrestricted investments | $ 42,209,896 | $ 39,392,074 |
| Endowment | 385,993 | 385,993 |
| Restricted investments | 4,106,935 | 3,628,902 |
| | $ 46,702,824 | $ 43,406,969 |

The components of net investment income were as follows for the years ended March 31:

| | 2026 | 2025 |
|---|---|---|
| Interest and dividends | $ 1,376,349 | $ 1,394,151 |
| Net realized gains | 1,876,920 | 333,473 |
| Net unrealized gains | 3,017,599 | 644,146 |
| Investment fees | (129,165) | (122,638) |
| | $ 6,141,703 | $ 2,249,132 |

## NOTE D - FAIR VALUE MEASUREMENTS

The Society reports fair value measures using a three-level hierarchy that prioritizes the input used to measure fair value. This hierarchy requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

*Level 1* - Quoted prices for identical assets or liabilities in active markets to which the Society has access at the measurement date.

*Level 2* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in markets that are not active;
- Observable inputs other than quoted prices for the asset or liability; and

*Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The fair values of the Society's investments by input levels were as follows at March 31:

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| March 31, 2026 | | | | |
| Investments | | | | |
| Money market funds | $ 899,707 | $ 899,707 | $ - | $ - |
| Common stocks | 5,710,459 | 5,710,459 | - | - |
| Exchange traded funds | 36,911,727 | 36,911,727 | - | - |
| Corporate bonds | 1,288,884 | - | 1,288,884 | - |
| Hedge fund | 832,020 | - | - | 832,020 |
| Private equity funds | 1,060,027 | - | - | 1,060,027 |
| | $46,702,824 | $43,521,893 | $ 1,288,884 | $ 1,892,047 |

NOTE D - FAIR VALUE MEASUREMENTS - Continued

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| March 31, 2025 | | | | |
| Investments | | | | |
| Money market funds | $ 1,533,156 | $ 1,533,156 | $ - | $ - |
| Common stocks | 2,256,082 | 2,256,082 | - | - |
| Exchange traded funds | 38,008,024 | 38,008,024 | - | - |
| Hedge funds | 782,473 | - | - | 782,473 |
| Real estate index funds | 662,650 | 662,650 | - | - |
| Private equity funds | 164,584 | - | - | 164,584 |
| | $43,406,969 | $42,459,912 | $ - | $ 947,057 |

NOTE E - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at March 31:

| | 2026 | 2025 |
|---|---|---|
| H. & B. Bremer Wildlife Sanctuary<br>-approximately 204 acres<br>-Montgomery County, Illinois | $ 173,276 | $ 173,276 |
| Adams Wildlife Sanctuary and state headquarters land<br>-approximately 39 acres<br>-Sangamon County, Illinois | 345,692 | 345,692 |
| War Bluff Valley Wildlife Sanctuary*<br>-approximately 525 acres<br>-Pope County, Illinois | 321,044 | 321,044 |
| Karcher's Post Oak Woods Nature Preserve*<br>-approximately 40 acres<br>-Hamilton County, Illinois | 19,792 | 19,792 |
| Robert Ridgeway Grasslands Nature Preserve*<br>-approximately 40 acres<br>-Jasper County, Illinois | 100,008 | 100,008 |

NOTE E - PROPERTY AND EQUIPMENT - Continued

| | 2026 | 2025 |
|---|---|---|
| Karl Bartel Wildlife Sanctuary Land and Water Preserve* -approximately 80 acres -Marion County, Illinois | $ 118,092 | $ 118,092 |
| Graber Grasslands Land and Water Reserve* -approximately 40 acres -Jasper County, Illinois | 95,852 | 95,852 |
| Plum Island Property -approximately 45 acres -LaSalle County, Illinois | 367,648 | 367,648 |
| Hartman Spring Nature Preserve* -approximately 40 acres -Pulaski County, Illinois | 109,232 | 109,232 |
| Amboy Marsh Wildlife Santuary* -approximately 302 acres -Lee County, Illinois | 1,612,854 | 1,612,854 |
| Gremel Wildlife Sanctuary -approximately 395 acres -Lee County, Illinois | 2,133,428 | 2,133,428 |
| Gableman Sanctuary -approximately 29 acres -Lee County, Illinois | 312,487 | 312,487 |
| Chillicothe Bottoms Property -approximately 232 acres -Peoria County, Illinois | 737,141 | 737,141 |
| Hopewell Property -approximately 15.1 acres -Marshall County, Illinois | 61,717 | 61,717 |

NOTE E - PROPERTY AND EQUIPMENT - Continued

| | 2026 | 2025 |
|---|---|---|
| Fern Ridge Property<br>-approximately 3.25 acres<br>-Marshall County, Illinois | $ 13,283 | $ 13,283 |
| Stewart Lake East Property<br>-approximately 778 acres<br>-Mason County, Illinois | 852,000 | 852,000 |
| Gowin Property<br>-approximately 75 acres<br>-Jasper County, Illinois | - | 826,709 |
| Ryback Property<br>-approximately 20 acres<br>-Lee County, Illinois | 117,898 | 117,898 |
| Grigalauski Property<br>-approximately 79.16 acres<br>-Lee County, Illinois | 421,034 | 421,034 |
| Zellhofer Property<br>-approximately 133 acres<br>-Lee County, Illinois | 799,567 | 799,567 |
| Alfred and Joanna Anesi Wildlife Sanctuary<br>-approximately 44.5 acres<br>-Monroe County, Illinois | - | 500,506 |

NOTE E - PROPERTY AND EQUIPMENT - Continued

| | 2026 | 2025 |
|---|---|---|
| Sigrist Property<br>-approximately 120 acres<br>-Marron County, Illinois | $ - | $ 1,255,368 |
| Fahrenbacher-Thormahelen Property<br>-approximately 80 acres<br>-Jasper County, Illinois | 1,016,039 | - |
| Sinadinos Property<br>-approximately 80 acres<br>-Lee County, Illinois | 480,263 | 480,263 |
| Total sanctuary and other land | 10,208,347 | 11,774,891 |
| Buildings and other improvements | 1,590,231 | 1,303,948 |
| Website development | 16,275 | - |
| Equipment and furniture | 579,841 | 579,841 |
| | 12,394,694 | 13,658,680 |
| Less: accumulated depreciation | (977,708) | (905,261) |
| | $ 11,416,986 | $ 12,753,419 |
| Property and equipment, by net asset class | | |
| Without restrictions | $ 9,265,331 | $ 10,601,763 |
| With restrictions | 2,151,655 | 2,151,655 |
| | $ 11,416,986 | $ 12,753,418 |

* = these properties have easements attached. See Note M.

## NOTE F - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets consisted of the following at March 31:

| | 2026 | 2025 |
|---|---|---|
| Undesignated | | |
| Property and equipment | $ 9,265,331 | $ 10,601,763 |
| Other undesignated | (1,338,096) | (21,957) |
| Total undesignated | 11,222,322 | 10,579,806 |
| Board designated for | | |
| Operating reserve | - | 35,775 |
| Land acquisition | 44,182,208 | 39,435,498 |
| Total board designated | 44,182,208 | 39,471,273 |
| Total net assets without donor restrictions | $ 52,109,443 | $ 50,051,079 |

## NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at March 31:

| | 2026 | 2025 |
|---|---|---|
| Other | $ 4,483,854 | $ 3,874,716 |
| Properties that must be held in perpetuity as wildlife sanctuaries | 355,655 | 355,655 |
| Property for which any sale proceeds must be reinvested in sanctuary property in perpetuity | 1,796,000 | 1,796,000 |
| Endowment | 385,993 | 385,993 |
| Total net assets with donor restrictions | $ 7,021,502 | $ 6,412,364 |

## NOTE H - ENDOWMENT FUND

The Society's endowment consists of a donor-restricted donation for the purpose of funding programs. Contributions to the endowment are subject to donor restrictions that stipulate the original principal of the gift is to be held and invested by the organizations indefinitely and income from the fund is to be expended for program services. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Illinois enacted the Uniform Management of Institutional Funds Act (UPMIFA) effective June 30, 2009. UPMIFA establishes law for the management and investment of donor-restricted endowment funds. Donor-restricted endowment funds are subject to a time restriction imposed by UPMIFA until amounts are appropriated for expenditure by the organization. In addition, most donor restricted endowment funds are subject to restrictions on the use of the appropriated amounts. As a result, donor-restricted endowment funds are classified as net assets with donor restrictions.

UPMIFA permits the organization to appropriate for expenditure or accumulate so much of a donor-restricted endowment funds as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. In making its determination to appropriate or accumulate, the organization must act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and it must consider, if relevant, the following factors:

- The duration and preservation of the endowment fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

NOTE H - ENDOWMENT FUND - Continued

The Board of Directors of the Society have interpreted the UPMIFA as requiring the preservation of the purchasing power (real value) of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The original gift is defined by the organization as (1) the original value of gifts donated to the donor-restricted endowment, (2) the original value of any subsequent gifts to the donor-restricted endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument as the time the accumulation is added to the fund. If the endowment assets earn investment returns beyond the amount necessary to maintain the endowment assets' real value, that excess is available for appropriation and, therefore, classified as donor-restricted net assets until appropriated by the Board of expenditure. If the value of a donor-restricted endowment fund fall below 75% of the original gift, the Board of Directors will cease spending until its value exceeds the original gift.

The composition of endowment net assets and the changes in endowment net assets as of March 31, 2026 and 2025 are as follows:

| | With Donor Restrictions |
|---|---|
| Endowment net assets, March 31, 2024 | $ 385,993 |
| Contributions | - |
| Endowment net assets, March 31, 2025 | 385,993 |
| Contributions | - |
| Endowment net assets, March 31, 2026 | $ 385,993 |

NOTE I - RETIREMENT PLAN

Employees of the Society who meet minimum age and service requirements are eligible to participate in the Simple IRA retirement plan. Elective contributions made to the plan by employees are matched up to 3% by the Society. For the years ended March 31, 2026 and 2025, the Society's match totaled $ 12,535 and $ 10,733, respectively, and was reported in salary and related expenses.

## NOTE J - CONCENTRATION OF CREDIT RISK

Illinois Audubon Society maintains cash balances in commercial banks. These deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $ 250,000 per institution. At times during the years ended March 31, 2026 and 2025, balances on deposit exceeded the FDIC insured limits. Cash equivalent amounts invested in the Sweep Investment Account are not insured nor guaranteed by the FDIC.

## NOTE K - CONDITIONAL GRANT COMMITMENT

During December 2025, the Society entered into a grant agreement with The Conservation Fund to provide funding of up to $ 6,000,000 over a three-year period to support the acquisition of the conservation land. The grant is payable in installments, subject to The Conservation Fund satisfying specified conditions under the agreement, including the acquisition of the property and use of the grant funds for the stated conservation purpose.

As of March 31, 2026, the Society has paid $ 2,180,000 under the agreement. The remaining conditional commitment of $ 3,820,000 has not been recognized as a liability in the accompanying financial statements because the condition required for payment had not been substantially met as of year-end. If the conditions are met or waived in future periods, the Society will recognize grant expense and a corresponding liability or cash payment at the time.

## NOTE L - CONTINGENCY

While prescribed burning of sanctuary lands is a desirable practice, which is encouraged by Federal and Illinois natural resource management organizations, it poses a risk which could result in losses due to damage of neighboring properties. The Society's Sanctuary Committee has developed policies and procedures for prescribed burns to be in compliance with the due diligence provision of the Illinois Prescribed Burning Act. These policies and procedures should help mitigate the risk of such losses and, under terms of the act, reduce the likelihood of material judgments against the Society for any such damages.

## NOTE M - PROPERTY EASEMENTS

As stated in the summary of significant accounting policies, property is capitalized at cost when purchased or estimated fair value when received as a donation. Easements that are attached to the property, however, may cause a decline in the value of the property.