California Academy of Sciences

Consolidated Financial Statements
June 30, 2024 and 2023

California Academy of Sciences
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June 30, 2024 and 2023

RSM US LLP

Independent Auditor's Report

Board of Trustees
California Academy of Sciences

Report on the Audit of the Financial Statements

Opinion
We have audited the consolidated financial statements of California Academy of Sciences (the Academy), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Academy as of June 30, 2024 and 2023, and the changes in their net assets and their 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 (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 the Academy 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 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 the Academy's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS and *Government 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 GAAS and *Government 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 Academy'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 the Academy'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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards* for the year ended June 30, 2024, we have also issued our report dated November 5, 2024 on our consideration of the Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.

RSM US LLP

San Francisco, California
November 5, 2024

California Academy of Sciences
Consolidated Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Cash and cash equivalents	$ 5,144,090	$ 2,102,043
Receivables, net		
Investment-related receivables	2,982,940	7,934,774
Other receivables, net	700,573	1,219,177
Contributions receivable, net (Note 7)	16,520,604	20,858,591
Prepaid expenses and other	971,917	778,626
Notes receivable, net (Note 8)	449,102	501,377
Investments held in trusts (Note 4)	5,240,253	5,094,843
Investments (Note 4)	462,014,658	439,306,004
Property and equipment, net (Note 9)	276,588,023	283,324,399
Total assets	$ 770,612,160	$ 761,119,834
Liabilities and net assets		
Liabilities		
Accounts payable and accrued expenses	$ 10,084,228	$ 6,435,263
Payable for investments purchased	644,953	476,935
Deferred revenue	9,111,499	8,516,677
Annuities payable and other long-term liabilities (Note 10)	2,401,540	2,806,261
Bonds payable, net (Note 11)	282,396,873	280,534,196
Total liabilities	304,639,093	298,769,332
Net assets (Note 5)		
Without donor restrictions	306,658,358	310,503,936
With donor restrictions	159,314,709	151,846,566
Total net assets	465,973,067	462,350,502
Total liabilities and net assets	$ 770,612,160	$ 761,119,834

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

California Academy of Sciences
Consolidated Statements of Activities
Years Ended June 30, 2024 and 2023

	2024	2023
Change in net assets without donor restrictions		
Operating revenue and support		
Admissions	$ 20,633,879	$ 21,617,210
Contributions and grants (Note 2, Note 6)	21,103,075	9,952,172
Memberships	9,018,438	8,115,550
Auxiliary activities	7,051,393	7,532,851
Support from the City and County of San Francisco (Note 13)	6,290,799	6,882,043
Endowment support for current operations (Note 5)	6,391,157	6,655,157
Net assets released from restrictions	14,225,558	10,359,811
Total operating revenue and support	84,714,299	71,114,794
Operating expenses		
Salaries and benefits	54,295,343	50,726,159
Depreciation and amortization (Note 9)	12,842,023	12,598,215
Professional services	10,701,101	9,398,579
Interest and debt-related fees	10,330,102	8,219,284
Supplies and equipment	7,916,557	6,523,873
Occupancy	4,839,817	5,485,549
Printing and advertising	4,400,608	4,436,630
Other expenses	3,343,343	2,876,830
Total operating expenses	108,668,894	100,265,119
Change in net assets from operations before other expense	(23,954,595)	(29,150,325)
Other expense		
Restructuring costs (Note 17)	(3,374,395)	-
Total other expense	(3,374,395)	-
Change in net assets from operations	(27,328,990)	(29,150,325)
Non-operating		
Investment return, net (Note 4)	23,483,412	7,164,473
Change in net assets from non-operating activities	23,483,412	7,164,473
Change in net assets without donor restrictions	(3,845,578)	(21,985,852)
Change in net assets with donor restrictions		
Operating		
Contributions and grants (Note 2, Note 6)	14,440,857	12,208,600
Endowment support for current operations	(6,391,157)	(6,655,157)
Net assets released from restrictions	(14,136,330)	(10,298,449)
Change in net assets from operations	(6,086,630)	(4,745,006)
Non-operating		
Contributions and grants (Note 2, Note 6)	941,998	(442,491)
Net assets released from restrictions	(89,228)	(61,362)
Investment return, net (Note 4)	12,702,003	8,136,323
Change in net assets from non-operating activities	13,554,773	7,632,470
Change in net assets with donor restrictions	7,468,143	2,887,464
Total change in net assets	3,622,565	(19,098,388)
Net assets, beginning of period	462,350,502	481,448,890
Net assets, end of period	$ 465,973,067	$ 462,350,502

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

California Academy of Sciences
Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	Program Activities					Supporting Activities				
	Aquarium	Biodiversity science and sustainability	Education and outreach	Exhibits and public engagement	Program Subtotal	Development	Membership	Management and general	Supporting Subtotal	Total expenses
Salaries and benefits	$ 6,668,224	$ 11,627,676	$ 3,873,338	$ 16,477,230	$ 38,646,468	$ 4,569,061	$ 1,023,663	$ 10,056,151	$ 15,648,875	$ 54,295,343
Depreciation and amortization	2,433,011	2,716,132	464,656	5,407,501	11,021,300	325,977	39,818	1,454,928	1,820,723	12,842,023
Professional services	752,869	2,040,998	789,674	1,671,711	5,255,252	1,099,035	2,046,743	2,300,071	5,445,849	10,701,101
Interest and debt-related fees	1,942,024	2,168,010	370,887	4,316,254	8,797,175	260,194	31,783	1,240,950	1,532,927	10,330,102
Supplies and equipment	1,586,081	1,489,993	814,677	1,858,152	5,748,903	1,070,760	62,628	1,034,266	2,167,654	7,916,557
Occupancy	813,986	953,343	222,844	1,977,464	3,967,637	136,450	17,566	718,164	872,180	4,839,817
Printing and advertising	973,087	22,897	29,769	2,198,044	3,223,797	108,836	1,008,420	59,555	1,176,811	4,400,608
Other expenses	309,673	1,326,048	242,142	333,501	2,211,364	206,140	35,923	889,916	1,131,979	3,343,343
Total operating expenses	15,478,955	22,345,097	6,807,987	34,239,857	78,871,896	7,776,453	4,266,544	17,754,001	29,796,998	108,668,894
Salaries and benefits - restructuring costs	196,012	883,044	858,780	776,321	2,714,157	153,845	63,281	443,112	660,238	3,374,395
Total expenses	$ 15,674,967	$ 23,228,141	$ 7,666,767	$ 35,016,178	$ 81,586,053	$ 7,930,298	$ 4,329,825	$ 18,197,113	$ 30,457,236	$ 112,043,289

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

California Academy of Sciences
Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Program Activities					Supporting Activities				
	Aquarium	Biodiversity science and sustainability	Education and outreach	Exhibits and public engagement	Program Subtotal	Development	Membership	Management and general	Supporting Subtotal	Total expenses
Salaries and benefits	$ 6,247,479	$ 11,954,614	$ 3,050,796	$ 15,124,295	$ 36,377,184	$ 4,297,785	$ 1,018,742	$ 9,032,448	$ 14,348,975	$ 50,726,159
Depreciation and amortization	2,557,458	2,759,338	285,435	4,672,951	10,275,182	102,624	15,060	2,205,349	2,323,033	12,598,215
Professional services	626,107	2,020,470	499,533	1,301,693	4,447,803	805,397	1,654,652	2,490,727	4,950,776	9,398,579
Interest and debt-related fees	1,664,543	1,795,938	185,778	3,041,429	6,687,688	66,794	9,802	1,455,000	1,531,596	8,219,284
Supplies and equipment	1,455,866	1,090,518	316,926	1,630,214	4,493,524	943,893	59,539	1,026,917	2,030,349	6,523,873
Occupancy	886,868	1,241,102	97,209	1,659,696	3,884,875	36,018	5,129	1,559,527	1,600,674	5,485,549
Printing and advertising	968,380	53,344	35,908	2,171,975	3,229,607	80,916	1,052,236	73,871	1,207,023	4,436,630
Other expenses	235,775	1,260,598	196,062	274,863	1,967,298	218,055	26,068	665,409	909,532	2,876,830
Total expenses	$ 14,642,476	$ 22,175,922	$ 4,667,647	$ 29,877,116	$ 71,363,161	$ 6,551,482	$ 3,841,228	$ 18,509,248	$ 28,901,958	$ 100,265,119

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

California Academy of Sciences
Consolidated Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 3,622,565	$ (19,098,388)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	12,842,023	12,598,215
Amortization of deferred bond financing costs	77,354	77,700
Bad debt expense	263,947	272,737
Realized and unrealized gains on investments, net	(24,886,509)	(7,906,741)
Changes in investments held in trusts	(53,686)	(278,329)
Contributions permanently restricted for endowment	(831,998)	(927,427)
Contributions restricted for capital additions and improvements	(100,000)	-
Proceeds from sale of donated securities restricted for endowment	-	(23,083)
Donated property and equipment	-	(54,100)
Changes in assets and liabilities		
Other receivables	309,432	(676,655)
Contributions receivable	4,335,487	3,243,984
Prepaid expenses and other	(193,291)	(143,686)
Accounts payable and accrued expenses	3,648,965	249,269
Deferred revenue	594,822	1,800,005
Annuities payable and other long-term liabilities	415,958	66,964
Bonds payable (accrued interest)	1,914,323	685,967
Net cash provided by (used in) operating activities	1,959,392	(10,113,568)
Cash flows from investing activities		
Purchase of investments	(413,452,398)	(175,565,897)
Proceeds from sale of investments	420,925,436	186,157,203
Purchases of property and equipment	(6,105,647)	(3,648,646)
Net cash provided by investing activities	1,367,391	6,942,660
Cash flows from financing activities		
Contributions restricted for endowment	831,998	927,427
Proceeds from sale of donated securities restricted for endowment	-	23,083
Contributions restricted for capital additions and improvements	100,000	-
Investment change on annuity trusts	151,356	242,792
Annuity trust payments to beneficiaries	(339,090)	(441,087)
Proceeds from revolving lines of credit	7,500,000	7,000,000
Principal payment of revolving lines of credit	(8,400,000)	(6,100,000)
Bond proceeds	281,450,000	-
Principal payment of bonds	(281,450,000)	-
Deferred bond financing costs	(129,000)	-
Net cash provided by (used in) financing activities	(284,736)	1,652,215
Net change in cash and cash equivalents	3,042,047	(1,518,693)
Cash and cash equivalents, at beginning of period	2,102,043	3,620,736
Cash and cash equivalents, at end of period	$ 5,144,090	$ 2,102,043
Supplemental information		
Cash paid for interest	$ 8,258,794	$ 7,435,886
Noncash investing/financing activities:		
Accrued purchases of property and equipment	18,434	-

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

1. Organization

The California Academy of Sciences (the "Academy") is a not-for-profit organization founded in 1853. The website address is www.calacademy.org. The Academy's annual consolidated financial statements are available on its website.

Overview
The Academy is a renowned scientific and educational institution with a mission to regenerate the natural world through science, learning, and collaboration. Based in San Francisco's Golden Gate Park, it is home to a world-class aquarium, planetarium, rainforest, and natural history museum as well as innovative programs in scientific research and environmental education, all under one living roof.

Major Programs

Aquarium
The Steinhart Aquarium is home to 60,000 live animals representing more than 800 unique species, and its innovative exhibits include one of the largest and deepest indoor coral reefs in the world. The four-story rainforest has free-flying birds and butterflies and exotic reptiles and amphibians.

In addition to delighting guests with its living creatures, the aquarium has played a critical role for decades in Species Survival Plans for endangered animals like its charismatic colony of African Penguins.

For more than 25 years, the Steinhart Aquarium has proudly held the gold standard accreditation from the Association of Zoos and Aquariums, a stamp of approval reserved for facilities that embody the very best in animal care and welfare, conservation, and education.

Biodiversity Science and Sustainability
The Academy's Institute for Biodiversity Science and Sustainability ("IBSS") is home to approximately 70 world-class scientists, over 100 Research Associates globally, and more than 500 distinguished Fellows who gather new knowledge about life's diversity and the process of evolution and rapidly apply that understanding to our efforts to regenerate the natural world. Through innovative partnerships and community engagement initiatives, they also guide critical conservation decisions worldwide, inspire and mentor the next generation of scientists, and foster responsible stewardship of our planet so that humans and nature can thrive together.

Education and Outreach
The Academy is an innovative leader in efforts to increase scientific and environmental literacy worldwide. The museum is home to science educators and communicators as well as highly trained docents who engage people of all ages—here in California and around the world—in the scientific concepts and issues that will shape our future. Through intensive partnerships with schools and teachers, innovative programs for all ages, engaging online learning and digital media offerings, and immersive science visualization productions, Academy educators work to increase the public's understanding and appreciation of the natural world and inspire participants to take action on behalf of the rich diversity of life on Earth.

More than 400 volunteers help support the Academy annually and provide a connection between the diverse Bay Area community and the Academy's museum, research, and administration. As one of the Bay Area's leading cultural institutions dedicated to opening its doors to the entire community, the Academy offers a variety of free and reduced admission opportunities and access programs to serve all visitors.

Exhibits and Public Engagement
The all-digital Morrison Planetarium uses cutting-edge visualizations and scientific data to share current discoveries and increase science literacy through immersive shows that rotate throughout the year.

The new permanent *California: State of Nature* exhibition, which opened in May 2024, illuminates the unexpected connections between the species, places, and people that enable California to thrive. The *Hidden Wonders* exhibit provides an unprecedented peek at some of the standout specimens from our scientific collections—including some on view for the very first time. The *Color of Life* exhibit explores the role of color in the natural world with vibrant live animals, specimens, and immersive interactives. *Gems and Minerals Unearthed* showcases specimens from the Academy's renowned geology collection. *BigPicture* showcases winning images from the Academy's annual, international wildlife photography competition.

2. Summary of Significant Accounting Policies

Basis of Presentation
The Academy's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of Consolidation
The consolidated financial statements include the Academy and the California Academy of Sciences Endolith Endowment Fund, LP (the "Partnership"), a limited partnership which serves as a single investor fund for the administrative convenience of the Academy. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

The Partnership commenced operations on December 22, 2014 and serves as a single investor fund for the administrative convenience of the Academy (the "Limited Partner"). Since December 22, 2014 there has only been one Limited Partner, the Academy. The Partnership shall be dissolved any time there are no Limited Partners of the Partnership or upon an event occurring as described in the Amended and Restated Limited Partnership Agreement, effective as of February 1, 2020 (the "Partnership Agreement"). Hall Capital Partners LLC (the "Investment Manager"), an SEC registered investment advisor, is the sole member of HCP CAS Management, LLC and is the investment manager of the Partnership.

Use of Estimates
The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. The Academy bases its estimates on historical experience and various other assumptions that management believes to be reasonable under the circumstances. Actual results could differ from the estimates made by management.

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

Net Assets Without Donor Restrictions
Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions. Items in this net asset category include fees for services and related expenses associated with the core activities of the Academy and unrestricted contributions and grants and investment income. These net assets may be designated for specific purposes by action of the Board of Trustees for special programs, expenditures for plant and equipment, and/or general operating support.

Net Assets With Donor Restrictions
Net assets with donor restrictions are net assets that are subject to donor-imposed restrictions which can be fulfilled either by actions of the Academy pursuant to those restrictions and/or expire with the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met, including grants for buildings and equipment not yet placed in service, pledges, unappropriated investment returns on donor-endowed funds, and endowment, annuity, and life income gifts.

The Academy reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor-imposed restrictions that limit the use of the donated assets. Upon satisfaction of such stipulations, the net assets are released from net assets with donor restrictions and recognized as net assets without donor restrictions.

The Academy accounts for receipts of unconditional promises to give with payments due in future periods as increases in net assets with donor restrictions, unless explicit donor stipulations or circumstances surrounding the receipt of a promise make clear that the donor intended it to be used to support activities of the current period.

Some net assets are subject to donor-imposed restrictions which stipulate that only income earned by the net assets can be used while the original gift is kept intact permanently by the Academy. These net assets consist of endowment funds for which the donated assets are invested to provide a permanent source of income for the Academy. Donor-endowed funds are managed according to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") of the state of California. If the donor restricts the allowed use of the investment income earned by the endowment, the Academy classifies the income as net assets with donor restrictions until amounts are appropriated for expenditure by the Academy in a manner consistent with the standard of prudence prescribed by UPMIFA.

Measure of Operations
The Academy's change in net assets from operations includes all operating revenues and support and operating expenses that are an integral part of its programs and supporting activities, net assets released from donor restrictions to support operating expenditures, and transfers from Board-designated and other non-operating funds to support current operating activities. The measure of operations, through the line items endowment support for current operations, includes support for operating activities from both donor-restricted net assets and net assets without donor restrictions designated for long-term investment (i.e., quasi-endowment) according to the Academy's spending policy, which is described in Note 5. The measure of operations excludes investment returns in excess of (less than) amounts related to the current year appropriation of expenditures from donor-restricted and quasi-endowments, investment returns related to the non-endowment investment portfolio, and contributions to the donor-restricted endowment.

Revenue Recognition
The Academy recognizes revenue based on whether it arises from a contribution or exchange

transaction. Transactions where the Academy receives assets are analyzed to determine whether commensurate value is received by the resource provider in return for the resources provided. The Academy does not consider the resource provider to be synonymous with the general public. If commensurate value is not received by the resource provider, the receipt of asset is recorded as a contribution in accordance with Accounting Standards Update ("ASU") No. 2018-08: *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

If commensurate value is received by the resource provider, the transaction is recorded as an exchange transaction in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, "*Revenue from Contracts with Customers"*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The transaction price is the amount of consideration to which the Academy expects to be entitled in exchange for transferring goods and services to customers. The Academy recognizes a contract asset when the Academy has the right to record revenue from a third party but consideration has not yet been received. The contract asset is recorded in the form of other receivables, net on the consolidated statements of financial position. When consideration is received and revenue has not yet been recognized, a contract liability is also recorded in the form of deferred revenue on the consolidated statements of financial position.

At June 30, 2024, June 30, 2023, and July 1, 2022, the balance of contract assets and contract liabilities were as follows:

	June 30, 2024	June 30, 2023	July 1, 2022
Contract assets	$ 684,617	$ 1,115,638	$ 1,056,176
Contract liabilities	6,490,988	6,644,151	5,894,231

Admissions

Admissions sales are considered to comprise of only an exchange element, whereby revenue is recognized when the performance obligation is fulfilled, which occurs either upon use of the ticket on its stated date or when the ticket expires, whichever comes first.

Contributions

In accordance with ASC 958, "*Not-for-Profit Entities*", contributions are recognized as revenue at fair value when received if there are no conditions present. A contribution is conditional if a barrier must be overcome before the Academy is entitled to the asset and a right of return or release exists. Conditional promises to give are recognized as revenue when the barriers outlined by the donor have been met.

As of June 30, 2024, contributions approximating $5,251,748 have not been recognized in the accompanying consolidated statement of activities because the condition(s) on which they depend have not yet been met.

The conditional contributions are dependent on the following:

Condition	Amount	Date to Complete Condition
Scaling public biodiversity science programs	$ 2,921,178	June 2028
Testing interventions for improved coral survival and restoration	$ 962,924	October 2026
Digitizing and making available 150,000 botany specimens	$ 585,820	September 2024
Refreshing the Academy's Twilight Zone coral reef exhibit	$ 412,144	November 2024
Enrolling 200 new Science Action Clubs per year	$ 300,000	June 2026
Developing and providing educational materials about island biodiversity	$ 44,682	February 2025
Developing tools and programming to increase tidepool stewardship	$ 25,000	December 2024

Contributions received which relate to the Academy’s core activities are classified as increases in net assets without donor restrictions. Gifts of cash and other assets are reported as increases in net assets with donor restrictions if received with donor stipulations that limit the use, either for time and/or purpose, of the donated assets. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues in net assets with donor restrictions and net assets released from restrictions to reflect the expiration of such restrictions. Contributions received for specific events are recognized upon the occurrence of the event. Contributions for capital improvements are released from restrictions when the capital asset is placed in service.

Contributions received to acquire or construct long-lived assets are recorded as a donor-restricted gift until the related asset is placed in service at which time the capital gift is released from net assets with donor restrictions to net assets without donor restrictions.

The Academy receives corporate sponsorships for which revenue is recognized as both an exchange transaction and a contribution. In such instances, the Academy determines the fair value of the benefit provided to the sponsor and records that portion as earned revenue over the period the benefit was provided and the remaining portion as a contribution in the period received or in which conditions are met, if applicable.

The Academy receives contributed nonfinancial assets, such as equipment and supplies, in addition to contributed services. The Academy records revenue and a corresponding asset or expense as applicable for these contributed assets and services based on market rates for equivalent assets or services.

A discount based on management’s estimates is added to the present value of contributions receivable to be received in excess of one year and represents an additional factor in the fair value measurements. The discounts on those contributions are computed using an interest rate for the year in which the promise was received which considers market and credit risk as applicable. Amortization of the discount is included in contribution revenue.

Contributions are reviewed for collectability and reserves for uncollectible amounts are established when needed. There was no allowance against contributions receivable at June 30, 2024 or 2023.

As of June 30, 2024, three donors accounted for 10% or more of contributions receivable. As of

June 30, 2023, two donors accounted for 10% or more of contributions receivable. During the fiscal years ended June 30, 2024 and 2023, respectively, 29% and 11% of contribution revenue was received from one donor.

Government Grant Revenue

The Academy receives grants from various government agencies. If commensurate value is received by the grantor from the Academy, a grant is considered to be an exchange transaction, and revenue is recognized in accordance with ASC 606 and reported on the consolidated statements of activities within auxiliary activities. Grants that are considered non-exchange transactions are recorded as contribution revenue at fair value when received if there are no conditions present. If conditions exist, such grants are recognized as contribution revenue when the barriers outlined by the grantor have been met. The grants recorded by the Academy are primarily classified as contributions.

A portion of the Academy’s revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Academy has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the consolidated statements of financial position. The Academy received cost reimbursable grants of $3,633,327 and $3,836,227 that have not been recognized as of June 30, 2024 and 2023 because qualifying expenditures have not yet been incurred. The Academy received $13,073 and $183,525 in advance under the federal and state contracts and grants as of June 30, 2024 and 2023, respectively.

Grants receivable are presented on the consolidated statements of financial position as part of contributions receivable. Grants receivable are reviewed by management for collectability, and reserves for uncollectible amounts are established when needed. There was no allowance against grants receivable at June 30, 2024 or 2023.

Memberships

Membership fees, which are nonrefundable, are comprised of only an exchange element whereby commensurate value is received in exchange for consideration paid. Fees are charged to members at the commencement of their membership. In exchange, the Academy is obligated to transfer goods and services, such as admission and discounts, over the term of the membership at the discretion of the member. In accordance with ASC 606, revenue related to this performance obligation is recognized ratably over the life of the membership.

Auxiliary Activities

Auxiliary activities primarily include revenue from special event rental fees and catering commissions, occupancy fees related to the on-site retail stores and restaurants, other special programs, and tickets to the Academy’s weekly Thursday night event, NightLife. These are considered exchange transactions whereby revenues are recognized in the period in which the performance obligations are met, which is when the event takes place or the commissions/fees are earned.

Support from the City and County of San Francisco

The Academy receives funding from the City and County of San Francisco in support of operation of the Steinhart Aquarium and maintenance of the building in Golden Gate Park. This revenue is recognized as contribution revenue in the period in which the Academy meets the conditions of the grant, which is in the period in which the Academy has incurred eligible operating expenses.

Allocation of Expenses

The costs of providing program and supporting activities have been summarized on the consolidated statements of functional expenses by function and natural classification. Expenses that relate to more than one program or support activity include marketing, executive director's office, audiovisual support, information technology, and building operations costs as well as depreciation and amortization. Marketing, executive director's office, and audiovisual support costs are allocated based on estimates of time and effort, information technology costs are allocated based on a combination of time and costs of specific technology utilized, and building operations and depreciation and amortization are allocated based on square footage.

Cash and Cash Equivalents

Cash and cash equivalents include all unrestricted cash balances and short-term, highly liquid investments with a maturity of three months or less from the date acquired that are not held for long-term investment. Cash is held on deposit at various institutions. At times, cash deposits may exceed federally insured limits.

Investments and Fair Value Measurements

FASB ASC 820, "*Fair Value Measurements*", defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and enhances disclosures about 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 most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Academy's financial assets and liabilities are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis, and purchases and sales are recorded on a trade date basis.

The Academy uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and gives precedence to observable inputs in determining fair value. An instrument's level within the hierarchy is based on the lowest level of any significant input to the fair value measurement. The following levels were established for each input:

Fair value for Level 1 is based upon quoted prices in active markets that the Academy has the ability to access for identical assets and liabilities. Market price data is generally obtained from exchange or dealer markets. The Academy does not adjust the quoted price for such assets and liabilities.

Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers.

Fair value for Level 3 is based on valuation techniques that use significant inputs that are unobservable as they trade infrequently or not at all.

The fair value of all debt and equity securities with a readily determinable fair value is based on quotations obtained from national securities exchanges. The fair value of investments in real estate is based on appraisals from qualified real estate appraisers using values for comparable properties in the area.

The Academy follows the concept of the “practical expedient” under U.S. GAAP. The use of practical expedients is an acceptable method under U.S. GAAP to determine the fair value of certain net asset value (“NAV”) investments that (a) do not have a readily determinable fair value predicated upon a public market and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principles of an investment company under U.S. GAAP. Accordingly, the Academy’s alternative investments (principally limited partnership interests in hedge, commingled, and private equity funds) which are not readily marketable are carried at estimated fair values based on the NAV of the fund as provided by the general partner of each investment fund. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities relate. The Academy reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value of the alternative investments. These estimated fair values may differ significantly from the values that would be used if a ready market for the securities existed. As of June 30, 2024 and 2023, respectively, nonmarketable alternative investments held at NAV were $178,877,917 and $137,740,455. Refer to Note 4 for additional information regarding the Academy’s investments.

Unrealized gains or losses are the difference between the cost and the fair value of investments at June 30, 2024 and 2023. Realized gains and losses are recorded at the time of disposition during the year and are calculated on a first-in, first-out basis. The net effect of unrealized and realized gains and losses is included in the consolidated statements of activities. The Academy’s investments are primarily held by two financial institutions and the Academy utilizes third party investment managers to manage its investment portfolio.

Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the Academy’s investments and total net asset balances. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Academy believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Investments Held in Trusts

Pooled income funds and charitable remainder trusts represent gifts for which the Academy is the remainderman and the trustee; donors retain a lifetime interest in a portion of fund and trust income. Pooled income fund and charitable remainder trust investments are recorded at fair value based upon quoted market prices and are held with two commercial institutions. Annuities payable are calculated at fair value based upon the estimated life of each participant using discount rates ranging from 3.25% to 6.10%. The classification of the change in value of the pooled income funds and charitable remainder trusts is recorded on the consolidated statements of activities based on the existence or absence of donor imposed restrictions.

Endowment Management

The Academy follows a total return approach to managing its endowment funds. Each year the Board of Trustees approves an amount to be allocated to support operations in accordance with its endowment spending allocation and investment objectives as disclosed in Note 5.

Property and Equipment

Building and related building improvements are valued at cost less accumulated depreciation and amortization. Depreciation and amortization on buildings, exhibits, and equipment is calculated on a straight-line basis over the estimated useful lives of those assets, ranging from 3 to 40 years. Upon retirement or sale, the cost and related accumulated depreciation and amortization of the assets are removed and any related gain or loss is reflected in the consolidated statements of activities. Maintenance and repairs are charged to expense as incurred. Refer to Note 9 for additional information on each asset class.

Buildings and related building improvements are reflected in the accompanying consolidated statements of financial position because a substantial portion of the costs are being funded through support from the Academy's donors, the assets are integral to operations, and the Academy has free use of the facilities for its charitable purposes. Under the terms of the Charter of the City and County of San Francisco ("the City"), no one other than the City may hold title to buildings on City property. These assets cannot be converted or sold for the benefit of the Academy.

The library collection is valued at historical cost. The Academy believes that the collection consists of rare books with a perpetual value and therefore the library collection is not depreciated.

Contributions of living and other specimens held as part of a collection – for education, science or public exhibition rather than for sale – are not recognized or capitalized. Such items which have been acquired through purchase have similarly not been capitalized.

Proceeds realized from a sale of collections must be used for acquisitions of specimens or materials that align with the Academy's mission, collection goals, and/or for the direct care of existing collections. The Academy defines direct care as the preservation of and/or investment in the existing collections by enhancing their life, usefulness, and/or quality. Direct care expenditures are consistent with responsible long-term fiscal planning and best practices in collections management and make a physical and/or immediate impact on an object that increases or restores its cultural and/or scientific value, thus prolonging its life and usefulness.

Accounting for Impairment of Long-Lived Assets

In accordance with U.S. GAAP, the Academy evaluates the recoverability of property and equipment and other assets, including identifiable intangible assets with definite lives, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by comparison of the carrying amount of an asset or an asset group to estimated undiscounted future net cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset exceeds these estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the assets exceeds the fair value of the asset or asset group. Assets to be disposed of are reported at the lower of their carrying amount or fair value less cost to sell. For the fiscal years ended June 30, 2024 and 2023, the Academy did not record impairment charges related to long-lived assets.

Deferred Revenue

The Academy records deferred revenue in situations when amounts are paid in advance of the Academy satisfying the applicable revenue recognition criteria. Such revenue is recognized when all criteria are subsequently satisfied.

Deferred Bond Financing Costs
Deferred bond financing costs, which include bond issuance fees, are amortized over the life of the bonds and are reflected on the consolidated statements of financial position under bonds payable, net. Financing costs are amortized using the straight-line method, which approximates the effective interest method, and are included in the functional expense allocation within interest and debt-related fees in the consolidated statements of activities.

Income Taxes
The Academy is exempt from federal income taxes under the provisions of Section 501(a) of the Internal Revenue Code ("IRC" or "the Code") as an organization described in IRC Section 501(c)(3) and is not classified as a private foundation under Section 509(a) of the Code. The Academy is also a public-benefit, tax-exempt corporation under the laws of the State of California and is therefore exempt from California income and franchise taxes on operations related to its exempt purpose and any excludable investment income.

The Academy files U.S. exempt organization returns and, as applicable, unrelated business income tax returns in federal and state jurisdictions. The Academy remains subject to tax examinations for its U.S. exempt organization returns and unrelated business income tax returns for fiscal years ended June 30, 2022 through 2024. The Academy also remains subject to examinations for U.S. state and local income taxes generally for the fiscal years ended June 30, 2021 through 2024. The Partnership files U.S. partnership tax returns and, as applicable, income tax returns in state jurisdictions. The Partnership's tax returns for the calendar years ended December 31, 2021 through 2023 are open for potential IRS examination. The Partnership also remains subject to examinations for U.S. state and local income taxes generally for the calendar years ended December 31, 2020 through 2023.

The Academy follows the provisions of FASB ASC 740-10, "*Accounting for Uncertainty in Income Taxes*". Management evaluated the Academy's tax positions and concluded that there were no material uncertainties in income taxes as of June 30, 2024 or 2023.

Reclassifications
Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported consolidated net assets or changes in net assets.

Recently Issued Accounting Pronouncements
In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." ASU 2023-09 is effective for non-public entities for annual periods beginning after December 15, 2025, although early adoption is permitted. The Academy is currently evaluating the impact of adoption to the consolidated financial statements.

Newly Adopted Accounting Pronouncements
In June 2016, the FASB issued ASU No. 2016-13 ("ASU 2016-13"), "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments." The FASB issued additional related ASUs pertaining to credit losses in the years that followed. The Academy adopted this standard for the fiscal year ended June 30, 2024 using the cumulative-effect transition method with the required prospective approach. The current economic credit loss allowance is based on relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. The allowance for credit losses as of June 30, 2024 and change in the allowance for credit losses during the year ended June 30, 2024 was not material to the consolidated financial statements.

3. Liquidity and Availability of Resources

The Academy's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows as of June 30, 2024 and 2023:

	2024	2023
Financial assets		
Cash and cash equivalents	$ 5,144,090	$ 2,102,043
Investment-related receivables	2,982,940	7,934,774
Other receivables, net	700,573	1,219,177
Contributions receivable, net	16,520,604	20,858,591
Notes receivable, net	449,102	501,377
Investments held in trusts	5,240,253	5,094,843
Investments	462,014,658	439,306,004
Total financial assets	493,052,220	477,016,809
Less financial assets unavailable for general expenditures within one year		
Amounts unavailable for general expenditures within one year:		
Restricted by donor with time or purpose restrictions	(9,076,566)	(13,265,320)
Restricted by donor in perpetuity	(93,459,936)	(92,638,101)
Perpetual and term endowments accumulated earnings subject to appropriation beyond one year	(24,002,589)	(17,496,090)
Investment portfolio assets sold that are pending settlement	(581,541)	(1,833,738)
Investments held in trusts and various state-required annuity reserves	(5,240,253)	(5,094,843)
Notes receivable collectible beyond one year	(449,102)	(500,765)
Amounts unavailable to management without Board's approval:		
Board-designated for quasi-endowment	(68,414,391)	(64,277,419)
Financial assets available to meet cash needs for general expenditures within one year	$ 291,827,842	$ 281,910,533

Liquidity Management

The Academy manages liquidity by maintaining financial assets sufficient to pay liabilities including salaries and benefits, other operating expenses, and debt and other obligations as they become due. At any point in time, the Academy keeps approximately $1.5 million to $4.0 million of cash available in its operating account in excess of outstanding checks to pay liabilities due within the next two weeks. Funding for operating expenses is obtained from earned revenue streams, contributions without donor restrictions, endowment support for current operations, and support from the City and County of San Francisco. Refer to Note 5 for additional information regarding the Academy's endowment spending allocation and investment objectives. When cash flows from operating activities need to be supplemented in order to pay liabilities, the Academy will borrow from revolving lines of credit. As of June 30, 2024 and 2023, the Academy had a total of $20,000,000 available for borrowing from its credit facilities. Refer to Note 10 for additional information regarding the Academy's revolving credit facilities. When cash in the Academy's operating account substantively exceeds the level needed to pay short-term liabilities, the Academy repays outstanding revolving line of credit balances and transfers cash to investment accounts. Cash and cash equivalent balances are monitored on a daily basis, and the Academy consults with its investment advisor to optimize the timing of investment transactions. Refer to Note 4 for additional information regarding the Academy's investments.

4. Investments

As of June 30, 2024 and 2023, the investment balance was allocated between the following:

	2024	2023
Non-endowment portfolio	$ 265,054,865	$ 259,504,815
Endowment portfolio	196,959,793	179,801,189
Total investments	$ 462,014,658	$ 439,306,004

At June 30, 2024 and 2023, the fair values of investments were as follows:

	2024	2023
Cash and cash equivalents	$ 164,760	$ 1,082,037
Money market mutual funds	9,544,727	16,734,517
Government agency and foreign government obligations	56,367,151	90,990,194
Corporate bonds, mortgage/asset-backed securities, and privately placed debt obligations	175,780,356	156,843,808
Domestic and foreign equity securities and mutual funds	37,197,462	31,906,956
Exchange traded funds	3,527,006	3,278,935
Equity hedge funds	58,389,321	29,450,116
Commingled funds	50,579,671	54,063,747
Private equity funds	69,908,925	54,226,592
Real estate and other	555,279	729,102
Total investments	$ 462,014,658	$ 439,306,004

The following schedule summarizes the Academy's investment return for the fiscal years ended June 30, 2024 and 2023:

	2024	2023
Investment income, net	$ 11,196,651	$ 7,088,665
Realized and unrealized gains, net	24,988,764	8,212,131
Investment return, net	$ 36,185,415	$ 15,300,796

The Academy's non-endowment investment portfolio without donor restrictions had a fair value of $265,054,865 as of June 30, 2024 with no pending trades. As of June 30, 2023, the Academy's non-endowment investment portfolio without donor restrictions had a fair value of $259,504,815, comprised of $260,905,425 of investments less $1,400,610 in net pending trades.

Endolith Endowment Fund
The California Academy of Sciences Endolith Endowment Fund, LP (the "Partnership")'s investments are included in the Academy's consolidated financial statements and accompanying disclosures as the Academy owned 100% of the Partnership as of June 30, 2024 and 2023. As of June 30, 2024 and 2023, respectively, investments held in the Partnership were $196,344,666 and $179,070,845, and total assets were $196,579,229 and $185,730,083.

Additional information related to alternative investments is as follows:

Equity Hedge Funds
Hedge funds are generally open-end funds as they typically offer subscription and redemption options to investors. The amount of liquidity provided to investors in a particular fund is generally consistent with the liquidity and risk associated with the underlying portfolio (i.e., the more liquid the investments in the portfolio, the greater the liquidity provided to the investors). Liquidity of individual hedge funds varies based on various factors and may include "gates," "holdbacks", and "side pockets" imposed by the manager of the hedge fund as well as redemption fees which may also apply. The Academy invests in hedge funds with investment strategies including multi-strategy portfolios, credit portfolios, and equity portfolios. The hedge funds held by the Academy as of June 30, 2024 allow for a range of quarterly to rolling 3-year redemptions, with a range of 30 to 90 days' notice requirements, with the exception of "side pockets" that are illiquid until realization, "special investments" not subject to redemptions where distributions to investors are determined solely by the investment manager, and inaugural investments subject to extended "lock-up" periods before redemptions may be requested by investors.

Commingled Funds
Commingled funds consist of assets from multiple accounts that are pooled together to create economies of scale. The Academy invests in commingled funds with investment strategies including equity investments in emerging markets, the U.S., global developed public markets excluding the U.S., and global balanced portfolios. The commingled funds held by the Academy as of June 30, 2024 allow for a range of monthly to rolling 3-year redemptions, with a range of 10 to 105 days' notice requirements, with the exception of a "side pocket" that is illiquid until realization, and inaugural investments subject to extended "lock-up" periods before redemptions may be requested by investors.

Private Equity Funds
Private equity funds are structured as closed-end, commitment-based investment funds where the Academy, through the Partnership, commits a specified amount of capital upon inception of the fund (i.e., committed capital) which is then drawn down over a specified period of the fund's life. Such funds generally do not provide redemption options for investors and, subsequent to final closing, do not permit commitments by new or existing investors.

The Partnership may invest in secondary funds of funds (collectively, the "Underlying Funds") that purchase interests in other funds on the secondary market.

As of June 30, 2024 and 2023, the Partnership had unfunded commitments of $18,974,403 and $19,132,793, respectively, to underlying private equity funds. As of June 30, 2024 and 2023, the Academy also had $14,128,629 and $8,720,309, respectively, of unfunded private equity commitments outside of the Partnership. These Underlying Funds are expected to be liquidated in

0-11 years unless terminated earlier or extended longer as permitted in the Underlying Funds' partnership agreements.

Classification of Investments - Valuation Hierarchy

The following table presents the investments and investments held in trusts carried at fair value on the consolidated statements of financial position as of June 30, 2024 by the ASC 820 valuation hierarchy defined in Note 2. The Academy sold $176,031 of Level 3 investments during the year ended June 30, 2024.

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 164,760	$ -	$ -	$ 164,760
Money market mutual funds	9,544,727	-	-	9,544,727
Government agency and foreign government obligations	-	56,367,151	-	56,367,151
Corporate bonds, mortgage/asset-backed securities, and privately placed debt obligations	-	175,780,356	-	175,780,356
Domestic and foreign equity securities and mutual funds	37,197,462	-	-	37,197,462
Exchange traded funds	3,527,006	-	-	3,527,006
Real estate and other	-	106,310	448,969	555,279
Total investments	50,433,955	232,253,817	448,969	283,136,741
Investments held in trusts	5,240,253	-	-	5,240,253
Total assets included in the fair value hierarchy	$ 55,674,208	$ 232,253,817	$ 448,969	288,376,994
Nonmarketable equity investments at NAV				178,877,917
Total investments and investments held in trusts				$ 467,254,911

The following table presents the investments and investments held in trusts carried at fair value on the consolidated statements of financial position as of June 30, 2023 by the ASC 820 valuation hierarchy defined in Note 2. There were no transfers out of or into Level 3 during the year ended June 30, 2023.

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 1,082,037	$ -	$ -	$ 1,082,037
Money market mutual funds	16,734,517	-	-	16,734,517
Government agency and foreign government obligations	-	90,990,194	-	90,990,194
Corporate bonds, mortgage/asset-backed securities, and privately placed debt obligations	-	156,843,808	-	156,843,808
Domestic and foreign equity securities and mutual funds	31,906,956	-	-	31,906,956
Exchange traded funds	3,278,935	-	-	3,278,935
Real estate and other	-	104,102	625,000	729,102
Total investments	53,002,445	247,938,104	625,000	301,565,549
Investments held in trusts	5,094,843	-	-	5,094,843
Total assets included in the fair value hierarchy	$ 58,097,288	$ 247,938,104	$ 625,000	306,660,392
Nonmarketable equity investments at NAV				137,740,455
Total investments and investments held in trusts				$ 444,400,847

5. Endowments and Net Assets

The Academy's endowment consists of 44 donor-restricted endowment funds and 23 board-designated endowment funds restricted for a variety of purposes. The net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor imposed restrictions.

Interpretation of Relevant Law

The Board of Trustees has determined that the Academy is subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). UPMIFA provides guidance and authority to charitable organizations concerning the management and investment of funds held by those organizations and imposes additional duties on those who manage and invest charitable funds.

In accordance with UPMIFA, as enacted by the State of California, the Academy classifies as net assets with donor restrictions (a time restriction in perpetuity) the original value of the gifts donated to the donor-restricted endowment and the original value of subsequent gifts to the donor-restricted endowment. Investment income from the donor-restricted endowment is classified as net assets with donor restrictions (a purpose restriction) until those amounts are appropriated for expenditure by the Board. The Board of Trustees of the Academy has interpreted UPMIFA such that, subject to the intent of the Academy's donors, the Board may appropriate for expenditure or accumulate so much of an endowment fund as the Board determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established. The Board of Trustees of the Academy has interpreted UPMIFA as requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. When reviewing its donor-restricted endowment funds, the Academy considers a fund to be underwater if the fair value of the fund is less than the sum of: (a) the original value of initial and subsequent gift amounts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Academy has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, the Academy considers the following factors in making a determination to appropriate or accumulate endowment funds:

(1) The duration and preservation of the fund.

(2) The purposes of the Academy 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 Academy.

(7) The investment policies of the Academy.

Endowment net asset composition by type of fund as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 128,456,431	$ 128,456,431
Board-designated endowment funds	73,601,952	-	73,601,952
Total endowment funds	$ 73,601,952	$ 128,456,431	$ 202,058,383

Changes in endowment net assets for the fiscal year ended June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 69,222,345	$ 121,392,815	$ 190,615,160
Investment return, net	8,508,560	12,702,003	21,210,563
Contributions	5,946	841,998	847,944
Appropriation of endowment assets for expenditure	(4,134,899)	(6,391,157)	(10,526,056)
Adjustments and releases	-	(89,228)	(89,228)
Endowment net assets at end of year	$ 73,601,952	$ 128,456,431	$ 202,058,383

Endowment net asset composition by type of fund as of June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 121,392,815	$ 121,392,815
Board-designated endowment funds	69,222,345	-	69,222,345
Total endowment funds	$ 69,222,345	$ 121,392,815	$ 190,615,160

Changes in endowment net assets for the fiscal year ended June 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	$ 68,757,320	$ 119,707,455	$ 188,464,775
Investment return, net	4,625,073	8,136,323	12,761,396
Contributions	57,527	265,555	323,082
Appropriation of endowment assets for expenditure	(4,196,126)	(6,655,157)	(10,851,283)
Adjustments and releases	(21,449)	(61,361)	(82,810)
Endowment net assets at end of year	$ 69,222,345	$ 121,392,815	$ 190,615,160

Description of Net Assets Without Donor Restrictions and Net Assets With Donor Restrictions

Net Assets Without Donor Restrictions

The Academy's net assets without donor restrictions are comprised of undesignated and Board designated amounts for the following purposes at June 30:

	2024	2023
Undesignated	$ 233,056,406	$ 241,281,591
Board designated for quasi-endowment	73,601,952	69,222,345
Total net assets without donor restrictions	$ 306,658,358	$ 310,503,936

Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as follows at June 30:

	2024	2023
Net assets subject to expenditure for specified purpose or period:		
Restricted for research support	$ 36,035,199	$ 31,347,884
Restricted for public program support	21,788,581	20,881,161
Restricted for plant projects	236,191	236,191
Restricted for general operations	5,939,220	4,897,645
Total net assets subject to expenditure for specified purpose or period	63,999,191	57,362,881
Endowments subject to the Academy's spending policy and appropriation:		
Restricted for research support	21,861,955	21,811,584
Restricted for public program support	36,460,882	34,415,318
Restricted for general operations	36,992,681	38,256,783
Total endowments subject to the Academy's spending policy and appropriation	95,315,518	94,483,685
Total net assets with donor restrictions	$ 159,314,709	$ 151,846,566

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Academy to retain as a fund of perpetual duration. Deficiencies of this nature exist in one donor-restricted endowment fund which had an original gift value of $110,000, a current fair value of $109,117, and a deficiency of $883 as of June 30, 2024. At fiscal year ended June 30, 2023, there were three underwater donor-restricted endowment funds which together had an original gift value of $19,601,525, a current fair value of $19,132,075, and a deficiency of $469,450. These deficiencies resulted from unfavorable market fluctuations and continued appropriation for certain programs that were deemed prudent by the Board of Trustees.

Return Objectives and Risk Parameters
The Academy has adopted endowment investment and spending policies that attempt to provide a balance of the immediate need to sustain current operations and the long-term responsibility to preserve the endowment in order to assure the availability of the funds for future operations of the Academy. Under this policy, the return objective for the endowment assets, measured over a full market cycle, shall be to earn an average annual real total return equal to at least 5%. Actual returns in any given year may vary from this amount.

Endowment Spending Allocation and Investment Objectives
The Board of Trustees of the Academy determines the method to be used to appropriate endowment funds for expenditure. The spending allocation is applied at the individual unitized endowment fund level and is calculated at the rate of 5% of the average market value of each fund on a unitized basis. The average market value is calculated based on a rolling 3-year average of the market value of each fund on a unitized basis. The corresponding calculated spending allocations are distributed in equal quarterly installments on the first day of each quarter from the current net total or accumulated net total investment returns for individual endowment funds. In establishing this policy, the Board of Trustees considered the expected long term rate of return on the Academy's endowment. As of June 30, 2024 and 2023, the allocation from the endowment funds for operating support for fiscal years 2025 and 2024 amounted to $10,288,080 and $10,526,054, respectively.

6. Contributed Nonfinancial Assets

During the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the consolidated statements of activities were as follows:

	2024	2023
Flight travel vouchers	$ 188,635	$ 137,425
Food	71,413	61,289
Other	15,449	2,000
Laboratory supplies	-	104,277
Computer equipment	-	68,360
Total contributed nonfinancial assets	$ 275,497	$ 373,351

The Academy recognized contributed nonfinancial assets within contributions and grants revenue, including contributed flight travel vouchers, food, laboratory supplies, computer equipment, and other. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The contributed flight travel vouchers were used primarily for Academy staff travel expenses, including domestic travel to conferences and international travel for research expeditions.

The contributed food was used to support the Academy's fundraising events SuperNatural and the Big Bang Gala.

The contributed laboratory supplies were used for research-focused programs, primarily within the

Academy's Institute for Biodiversity Science and Sustainability.

The contributed computer equipment was used for general and administrative activities as well as in the operation of the planetarium.

The other contributed nonfinancial assets were used to support the mission of the Academy, through programmatic, research, or general support.

In valuing these assets, the Academy estimated the fair value on the basis of current market rates to purchase similar goods or services at the time of the donation.

A substantial number of volunteers have contributed significant amounts of time to the Academy; however, no amounts have been reflected in the accompanying consolidated financial statements for such contributed services do not meet the criteria for recognition as contributions under U.S. GAAP.

7. Contributions Receivable, net

As of June 30, 2024 and 2023, contributions receivable were as follows:

	2024	2023
Contributions receivable before discount	$ 17,264,969	$ 21,932,763
Less: Unamortized discount	(744,365)	(1,074,172)
Contributions receivable, net	$ 16,520,604	$ 20,858,591
Amounts due		
Within one year	$ 8,114,331	$ 8,454,001
Two to five years	6,100,638	10,428,762
More than five years	3,050,000	3,050,000
Contributions receivable before discount and allowance	$ 17,264,969	$ 21,932,763

Discount rates used to calculate the present value of contributions receivable for the fiscal years ended June 30, 2024 and 2023 ranged from 0.13% to 5.03%.

8. Notes Receivable, net

At June 30, 2024 and 2023, notes receivable were as follows:

	2024	2023
Music Concourse Community Partnership	$ 1,619,598	$ 1,527,686
Home Purchase Loan Program	449,102	501,377
	2,068,700	2,029,063
Less: Allowance for doubtful notes receivable	(1,619,598)	(1,527,686)
Notes receivable, net	$ 449,102	$ 501,377

The Academy holds a promissory note, dated December 30, 2010, for $675,000 from the Music Concourse Community Partnership (“MCCP”) related to the construction of a parking facility in Golden Gate Park. As of June 30, 2024 and 2023, the note receivable, plus accrued interest, totaled $1,619,598 and $1,527,686, respectively. The note has a fixed interest rate of 6%. Interest payments are required to be made on December 27 of each year. The note matures on December 1, 2040. As of June 30, 2024 and 2023, the entire MCCP note receivable balance was reserved.

The Academy has adopted, as part of the compensation package to attract and retain talent for scientific research, a Home Purchase Loan Program. Under the program, the Academy extends loans to qualified employees. Individual notes cannot exceed $250,000 and are secured by the deed of trust of the home purchased. As long as employees with notes remain employed with the Academy and in good standing, principal is forgiven over a ten year period. Employees with notes are responsible for paying monthly interest. As of June 30, 2024 and 2023, the Academy held promissory notes from four employees for housing support. The notes have fixed interest rates ranging from 2.22% to 3.66%, payable monthly.

9. Property and Equipment, net

At June 30, 2024 and 2023, the major classes of property and equipment were as follows:

	2024	2023
Land	$ 710,000	$ 710,000
Building and improvements	374,988,521	372,726,120
Aquarium	34,890,104	34,226,292
Planetarium	8,180,379	7,824,752
Library and rare books	12,526,087	12,526,087
Furniture, equipment, and software	32,683,608	31,794,241
Phone and information technology/infrastructure	7,047,143	7,047,143
Exhibit halls	35,918,214	31,940,548
Construction in progress	3,615,603	5,658,829
	510,559,659	504,454,012
Less: Accumulated depreciation and amortization	(233,971,636)	(221,129,613)
	$ 276,588,023	$ 283,324,399

Depreciation and amortization expense for the fiscal years ended June 30, 2024 and 2023 was $12,842,023 and $12,598,215, respectively.

10. Debt Obligations

At June 30, 2024 and 2023, the components of annuities payable and other long-term liabilities were as follows:

	2024	2023
Annuities payable	$ 1,719,131	$ 1,639,811
Other long-term liabilities	682,409	266,450
Loans from revolving credit facilities	-	900,000
Annuities payable and other long-term liabilities	$ 2,401,540	$ 2,806,261

Annuities Payable

The Academy's annuities payable relate to obligations of its investments held in trusts which include pooled income funds and charitable remainder trusts.

Revolving Credit Facilities

Effective October 1, 2021, the revolving credit facility with Wells Fargo Bank, National Association matured, and the Academy entered into a new revolving credit facility with Wells Fargo Bank, National Association. The agreement allowed the Academy to borrow, repay, and reborrow loans up to the amount of $10,000,000 through the maturity date of October 1, 2023. Interest was accrued either at a fluctuating rate per annum equal to 1.10% plus the 1-month LIBOR in effect on the first day of a selected 1-month period during which all or a portion of the outstanding principal balance of the loans bears interest in relation to LIBOR, or at a fixed rate per annum determined by the lender to be equal to 1.10% plus LIBOR in effect on the first day of the applicable LIBOR period. Interest was due on the last day of each month or upon repayment.

Effective January 17, 2023, the existing revolving credit facility with Wells Fargo Bank, National Association was amended and restated. The new agreement allowed the Academy to borrow, repay, and reborrow loans up to the amount of $10,000,000 through the maturity date of October 1, 2023. The facility was amended again on September 28, 2023 to extend the maturity date to October 1, 2025. Interest is accrued either at a fluctuating rate per annum determined by the lender to be equal to 1.20% plus the Daily Simple Secured Overnight Financing Rate ("SOFR"), or at a fixed rate per annum determined by the lender to be equal to 1.20% plus the Term SOFR in effect on the first day of the applicable interest period. Interest is due on the last day of each month or upon repayment. The revolving credit facility with Wells Fargo Bank, National Association contains certain affirmative covenants, including a covenant for the Academy to provide audited consolidated financial statements no later than 150 days after the end of each fiscal year and unaudited consolidated financial statements no later than 60 days after the end of each quarter of the first three fiscal quarters. As of June 30, 2024 and 2023, there were outstanding amounts borrowed under the facility of $0 and $900,000, respectively.

Effective May 13, 2020, the Academy entered into a revolving credit facility with JPMorgan Chase Bank, National Association. The facility was amended on May 10, 2021 and October 7, 2021. The amended facility allowed the Academy to borrow, repay, and reborrow loans up to the amount of $10,000,000 through the maturity date of May 6, 2022. With resolution from the Board of Trustees, the Academy had the right to increase the revolving credit facility's commitment on a single occasion by $10,000,000. Within one to two months of the current maturity date, the Academy could request an extension to the facility's maturity date. Interest was payable at a variable rate and due monthly on the last day of each interest period. The Eurodollar loans interest rate was the sum of 1-month LIBOR plus 1.10%. Commitment fees of 0.20% were due quarterly based on the average daily unused portion of the commitment.

Effective June 10, 2022, the revolving credit facility with JPMorgan Chase Bank, National Association was amended. The amended facility allowed the Academy to borrow, repay, and reborrow CB Floating Rate ("CBFR") loans and/or SOFR loans up to the amount of $10,000,000 through the maturity date of May 5, 2023. With resolution from the Board of Trustees, the Academy had the right to increase the revolving credit facility's commitment on a single occasion by $10,000,000. Within one to two months of the current maturity date, the Academy could request an extension to the facilities maturity date. Interest was payable at a variable rate and due monthly on the last day of each interest period. The CBFR loans interest rate was the greater of the Prime Rate or 2.50%, plus 0.25%. The SOFR loans interest rate was the Adjusted Term SOFR Rate plus 1.00%. Commitment fees of 0.20% were due quarterly based on the average daily unused portion of the commitment.

Effective May 5, 2023, the revolving credit facility with JPMorgan Chase Bank, National Association was amended. The amended facility allowed the Academy to borrow, repay, and reborrow CBFR loans and/or SOFR loans up to the amount of $10,000,000 through the maturity date of May 3, 2024. This facility was amended on March 5, 2024 and again on May 3, 2024 to extend the maturity date to May 2, 2025, update the SOFR loans interest rate to the Adjusted Term SOFR Rate plus 1.10%, and update commitment fees to 0.25%. All other terms described above remain in effect. The revolving credit facility with JPMorgan Chase Bank, National Association contains certain affirmative covenants including covenants for the Academy to provide audited consolidated financial statements no later than 150 days after the end of the fiscal year and unaudited consolidated financial statements no later than 90 days after the end of each quarter of the first three fiscal quarters. As of June 30, 2024 and 2023, there were no outstanding amounts borrowed under the facility.

Other Long-Term Liabilities
The Academy’s other long-term-liabilities encompass obligations with external third parties. These obligations include provisions for maintenance and repair and marketing services.

11. Bonds Payable, net

In August 2018, the Academy issued Series 2018A-D revenue bonds (“2018 Bonds”) through the California Infrastructure and Economic Development Bank in the amount of $281,450,000. The bond proceeds were used to repay all previously issued bonds in full which were issued to fund construction and improvements of the facilities in Golden Gate Park (“2008 Bonds”). The 2018 Bonds were to mature on August 1, 2047. Each Series of the 2018 Bonds was remarketed in an Index Mode with an Initial Index Mode Rate Period scheduled to end on July 31, 2024.

The 2018 Bonds were called and remarketed in June 2021. All Series were converted to an Index Mode Rate Period under the Index Mode Interest Rate. The final principal and maturity date of the bonds remained unchanged from 2018. The 2018 Bonds were subject to mandatory tender for purchase on August 1, 2024, and, at the election of the Academy, optional redemption after August 1, 2023.

In March 2024, the Academy issued Series 2024A revenue bonds (“2024 Bonds”) through the California Infrastructure and Economic Development Bank in the amount of $281,450,000. The bond proceeds were used to repay the 2018 Bonds in full. The 2024 Bonds are subject to mandatory tender for purchase on August 1, 2029, and, at the election of the Academy, optional redemption after August 1, 2028. The 2024 Bonds will mature on May 29, 2049. The 2024 Bonds were marketed into a fixed rate of 3.25%.

During the fiscal years ended June 30, 2024 and 2023, the Academy incurred bond interest costs and remarketing fees of $10,173,118 and $8,121,853, respectively. Interest and remarketing costs are included in the functional expense allocation within interest and debt-related fees in the consolidated statements of activities. For all Series, average monthly interest rates ranged from 3.25% to 4.08% and 1.18% to 3.84% during the fiscal years ended June 30, 2024 and 2023, respectively.

The Academy amortized debt issuance costs related to the 2018 Bonds over a 30 year life and amortizes debt issuance costs related to the 2024 Bonds over a 25.24 year life. These debt issuance costs are presented as a direct deduction from the carrying value of the debt liability.

Unamortized debt issuance costs were $1,922,915 and $1,871,269 as of June 30, 2024 and 2023, respectively. The Academy recognized amortization expense of $77,354 and $77,700 for the fiscal years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024 and 2023, the principal outstanding on all Series was $281,450,000, with no principal payments due within the next five years. As of June 30, 2024 and 2023, the components of bonds payable, net were as follows:

	2024	2023
Bond principal	$ 281,450,000	$ 281,450,000
Bond interest accrual	2,869,788	955,465
Cost of issuance	(1,922,915)	(1,871,269)
Bonds payable, net	$ 282,396,873	$ 280,534,196

Tax-exempt bonds issued on or after September 1, 1986 are subject to the arbitrage rebate requirements imposed by Section 148(f) (2) of the Internal Revenue Code (the "IRC"). The arbitrage rebate requirements require that any profit or arbitrage be rebated to the U.S. Government. The rebate amount due to the U.S. Government is equal to the excess of the amount earned on all non-purpose investments as defined in the IRC purchased with gross proceeds of the bonds over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the bonds. The rebate is calculated over a five-year period. The Academy performed an analysis on March 6, 2024 and determined that there was no arbitrage liability to the IRS.

The 2024 Bond agreements contain certain affirmative covenants, including a covenant for the Academy to provide audited consolidated financial statements no later than 150 days after the end of each fiscal year.

12. Employees' Retirement Plan

The Academy maintains defined-contribution plans in the U.S., subject to Section 403(b) of the Internal Revenue Code. Based on federal limits, eligible employees could elect to contribute, on a tax-deferred basis, any percentage of their compensation to a maximum of $23,000 and $22,500 in calendar years 2024 and 2023, respectively. Eligible employees over 50 years of age could also contribute an additional $7,500 on a tax-deferred basis in calendar years 2024 and 2023. As of June 30, 2024, the Academy matches 3%, 4%, or 5% of employee contributions up to a maximum company contribution of 5% of base salary. Employees must contribute a minimum of 3% to receive a matching contribution. For the fiscal years ended June 30, 2024 and 2023, the Academy made matching payments of $1,305,941 and $1,454,645, respectively.

13. Support from the City and County of San Francisco

Section 16.106 of the City and County of San Francisco charter states that the City and County of San Francisco shall provide funds necessary for the maintenance, operation, and continuance of the Steinhart Aquarium and funds deemed proper for the maintenance, operation, and continuance of other buildings and improvements placed under the control of the Academy. During the fiscal years ended June 30, 2024 and 2023, the City contributed $6,290,799 and $6,882,043, respectively, to the Academy for this support.

14. Commitments and Contingencies

Legal Matters

The Academy is subject to certain legal proceedings, claims, investigations and administrative proceedings in the ordinary course of its business. The Academy records a provision for a liability when it is both probable that the liability has been incurred and the amount of the liability can be reasonably estimated. These provisions, if any, are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel, and other information and events pertaining to a particular case. In the opinion of management, the outcome of outstanding investigations and pending litigation are not expected to have a material effect on the Academy's financial position.

15. COVID-19

As a result of the COVID-19 pandemic, several government relief programs helped to provide liquidity to the Academy in light of reduced operations during the pandemic. In April 2020, the CARES Act created the Employee Retention Tax Credit ("ERTC"), administered by the IRS, for which the Academy recorded $4,629,663 in contributions receivable and contribution revenue with donor restrictions in the consolidated financial statements as of and for the year ended June 30, 2021. As of June 30, 2023, the outstanding receivable balance related to the ERTC was $2,052,709, and this amount was received in full during the year ended June 30, 2024.

16. Union

On July 21, 2023, certain employees organized and voted to be represented by a worker's union. The vote was passed in favor of union representation, and on August 17, 2023 the bargaining unit was certified. The bargaining unit is named Cal Academy Workers United (CAWU). The collective bargaining unit will make up 61% of the workforce at the Academy. As of June 30, 2024, the initial collective bargaining agreement was under negotiation.

17. Restructuring Costs

In April 2024, the Academy announced that it would offer a voluntary severance package to employees in an effort to address budget constraints and focus on the long-term viability of the organization. After voluntary severances were negotiated, the Academy then enacted involuntary staff reductions to close the budget deficit and align programs around our strategy. For the fiscal year ended June 30, 2024, the Academy recorded restructuring costs of $3,374,395, the full balance of which was unpaid as of June 30, 2024. Remaining amounts expected to be incurred were $65,810 as of June 30, 2024. In total, the Academy expects $3,456,067 of costs from the open restructuring plan, all of which relate to employee separation.

18. Subsequent Events

The Academy has evaluated the consolidated financial statements for subsequent events through November 5, 2024, which is the date of issuance of this report. No subsequent events were identified.