



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Yellowstone Boys and Girls Ranch Foundation, Inc.
Billings, Montana

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Yellowstone Boys and Girls Ranch Foundation, Inc. and its subsidiary, a nonprofit organization (the Foundation), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022; 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Foundation as of June 30, 2023 and 2022, 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Foundation 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT

(Continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

KCoe Isom, LLP

June 24, 2024
Billings, Montana

FINANCIAL SECTION

Yellowstone Boys and Girls Ranch Foundation, Inc.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30	2023	2022
ASSETS		
Cash and cash equivalents	\$ 961,144	\$ 398,657
Restricted cash and cash equivalents	653,828	198,656
Investments	100,570,989	92,888,006
Investments - real estate	2,742,753	2,667,848
Investments - other	607,932	662,947
Other receivables	2,593,126	3,047,561
Property and equipment - net	153,746	208,986
Prepaid expenses	44,306	47,024
Other assets	-	3,447
Investments held in trusts	42,793,853	37,531,235
TOTAL ASSETS	\$ 151,121,677	\$ 137,654,367
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 127,094	\$ 112,783
Long-term promises to give	759,481	997,786
Annuity obligations	5,333,072	5,831,710
Trust obligations	29,804,657	27,109,342
Other liabilities	35,917	37,237
Total Liabilities	36,060,221	34,088,858
Net Assets		
Without donor restrictions:		
Trusts	1,566,656	3,251,135
Other	13,909,152	15,446,480
Total Net Assets Without Donor Restrictions	15,475,808	18,697,615
With donor restrictions:		
Time and purpose restrictions	39,050,394	32,703,063
Perpetual in nature	60,535,254	52,164,831
Total Net Assets With Donor Restrictions	99,585,648	84,867,894
Total Net Assets	115,061,456	103,565,509
TOTAL LIABILITIES AND NET ASSETS	\$ 151,121,677	\$ 137,654,367

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

Yellowstone Boys and Girls Ranch Foundation, Inc.

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year Ended June 30, 2023	Without Donor Restriction	With Donor Restriction	Total
Revenues and Support			
Contributions	\$ 1,051,318	\$ 2,871,667	\$ 3,922,985
Legacies and bequests	412,842	-	412,842
Gift value of annuities	411,346	859,325	1,270,671
Gift value of trusts	324,518	1,616,342	1,940,860
Investment gains - net	348,818	8,717,518	9,066,336
Change in value of split-interest agreements	-	1,074,323	1,074,323
Royalty income	1,561,793	88,706	1,650,499
Other revenues (losses)	(18,641)	67	(18,574)
Total Revenues and Support	4,091,994	15,227,948	19,319,942
Net Assets Released From Restrictions			
Satisfaction of program restrictions	145,983	(145,983)	-
Appropriation of endowment earnings	364,211	(364,211)	-
Total Net Assets Released From Restrictions	510,194	(510,194)	-
Expenses			
Program grants	3,581,533	-	3,581,533
Deferred giving program	622,359	-	622,359
General and administrative	670,289	-	670,289
Fundraising	2,949,814	-	2,949,814
Total Expenses	7,823,995	-	7,823,995
Change in Net Assets	(3,221,807)	14,717,754	11,495,947
Net Assets - Beginning of Year	18,697,615	84,867,894	103,565,509
Net Assets - End of Year	\$ 15,475,808	\$ 99,585,648	\$ 115,061,456

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

Yellowstone Boys and Girls Ranch Foundation, Inc.

CONSOLIDATED STATEMENTS OF ACTIVITIES

(Continued)

Year Ended June 30, 2022	Without Donor Restriction	With Donor Restriction	Total
Revenues and Support			
Contributions	\$ 3,184,488	\$ 24,663	\$ 3,209,151
Legacies and bequests	1,224,995	-	1,224,995
Gift value of annuities	227,543	196,835	424,378
Gift value of trusts	201,229	65,579	266,808
Investment losses - net	(1,890,601)	(6,867,139)	(8,757,740)
Change in value of split-interest agreements	(1,740,207)	930,693	(809,514)
Royalty income	1,077,841	72,476	1,150,317
Other revenues	799,769	-	799,769
Total Revenues and Support	3,085,057	(5,576,893)	(2,491,836)
Net Assets Released From Restrictions			
Satisfaction of program restrictions	24,494	(24,494)	-
Appropriation of endowment earnings	318,356	(318,356)	-
Total Net Assets Released From Restrictions	342,850	(342,850)	-
Expenses			
Program grants	3,382,671	-	3,382,671
Deferred giving program	567,325	-	567,325
General and administrative	622,959	-	622,959
Fundraising	2,437,535	-	2,437,535
Total Expenses	7,010,490	-	7,010,490
Change in Net Assets	(3,582,583)	(5,919,743)	(9,502,326)
Net Assets - Beginning of Year	22,280,198	90,787,637	113,067,835
Net Assets - End of Year	\$ 18,697,615	\$ 84,867,894	\$ 103,565,509

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

Yellowstone Boys and Girls Ranch Foundation, Inc.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023	Program		Support Services			Total
	Grants	Giving Program	Deferred Program	Administrative	Fundraising	
Personnel expenses	\$ -	\$ -	\$ 428,456	\$ 386,432	\$ 569,289	\$ 1,384,177
Program expenses	3,581,533	-	-	-	-	3,581,533
Professional fees	-	-	17,216	78,676	13,658	109,550
Supplies	-	-	4,641	25,820	2,133,643	2,164,104
Telephone	-	-	1,911	4,631	1,396	7,938
Postage and shipping	-	-	628	2,876	37,427	40,931
Occupancy	-	-	7,748	40,346	6,302	54,396
Maintenance and repairs	-	-	30,786	78,514	26,836	136,136
Equipment rental	-	-	-	2,282	-	2,282
Conferences/conventions/meetings	-	-	39,052	10,187	8,163	57,402
Printing and publications	-	-	84,347	1,840	151,552	237,739
Dues and subscriptions	-	-	7,512	760	670	8,942
Depreciation	-	-	-	36,540	-	36,540
Miscellaneous	-	-	62	1,385	878	2,325
Total	\$ 3,581,533	\$ 622,359	\$ 670,289	\$ 2,949,814	\$ 7,823,995	

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

Yellowstone Boys and Girls Ranch Foundation, Inc.
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
(Continued)

Year Ended June 30, 2022	Support Services					Total
	Program Grants	Giving Program	Deferred Program	General and Administrative	Fundraising	
Personnel expenses	\$ -	\$ -	407,385	\$ 346,768	\$ 442,371	\$ 1,196,524
Program expenses	3,382,671	-	-	-	-	3,382,671
Professional fees	-	-	16,729	85,419	-	102,148
Supplies	-	-	14,980	19,910	1,800,387	1,835,277
Telephone	-	-	1,876	3,796	1,305	6,977
Postage and shipping	-	-	834	1,359	29,339	31,532
Occupancy	-	-	7,593	44,281	7,130	59,004
Maintenance and repairs	-	-	19,097	52,177	30,111	101,385
Equipment rental	-	-	2,685	7,494	5,486	15,665
Conferences/conventions/meetings	-	-	29,877	8,683	12,911	51,471
Printing and publications	-	-	55,167	750	88,072	143,989
Dues and subscriptions	-	-	1,966	1,756	18,739	22,461
Depreciation	-	-	-	44,155	-	44,155
Miscellaneous	-	-	9,136	6,411	1,684	17,231
Total	\$ 3,382,671	\$ 567,325	\$ 622,959	\$ 2,437,535	\$ 7,010,490	

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

Yellowstone Boys and Girls Ranch Foundation, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,495,947	\$ (9,502,326)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	36,540	44,155
Loss (Gain) on disposal of property and equipment	18,700	(20,607)
Unrealized (gains) losses on investments - net	(5,521,899)	15,922,992
Realized gains on investments - net	(551,548)	(2,295,630)
Loss (Gain) on sale of real estate	685,875	(695,280)
Contribution of real estate	(760,780)	-
Change in value of split-interest agreements	(1,074,323)	809,514
Contributions restricted for long-term purposes:		
Contributions, legacies, and bequests	(2,871,667)	(24,663)
Gift value of annuities	(859,325)	(196,835)
Gift value of trusts	(1,616,342)	(65,579)
Changes in operating assets and liabilities:		
Prepaid expenses	2,718	(47,024)
Other receivables	454,435	787,542
Other assets	3,447	80,449
Accounts payable and accrued expenses	12,991	57,526
Long-term grants payable	(238,305)	(226,535)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(783,536)	4,627,699
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchases) Proceeds from investments - net	1,398,593	(1,310,078)
Proceeds from sale of property and equipment	-	50,607
Purchases of property and equipment	-	(116,057)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	\$ 1,398,593	\$ (1,375,528)

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

Yellowstone Boys and Girls Ranch Foundation, Inc.**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Continued)

Years Ended June 30	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term purposes:		
Contributions, legacies, and bequests	\$ 2,871,667	\$ 24,663
Gift value of annuities	859,325	196,835
Gift value of trusts	1,616,342	65,579
Trusts and annuities obligation payments	(3,302,645)	(2,919,011)
Trusts distributions to remaindermen	(1,642,087)	(1,064,281)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	402,602	(3,696,215)
Net Change in Cash and Cash Equivalents	1,017,659	(444,044)
Cash and Cash Equivalents - Beginning of Year	597,313	1,041,357
Cash and Cash Equivalents - End of Year	\$ 1,614,972	\$ 597,313
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Cash flow reconciliation to the statements of financial position:		
Cash and cash equivalents	\$ 961,144	\$ 398,657
Restricted cash and cash equivalents	653,828	198,656
TOTAL CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	\$ 1,614,972	\$ 597,313

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