# Marin Agricultural Land Trust

## Financial Statements

*For the Year Ended*

June 30, 2013

**With Independent Auditors' Report**

REGALIA & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

## MARIN AGRICULTURAL LAND TRUST

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
**June 30, 2013**

### Mission and Core Values

Marin Agricultural Land Trust is a private, member-supported non-profit organization created in 1980 by a coalition of ranchers and environmentalists to permanently preserve Marin County farmland for agricultural use. MALT eliminates the development potential on farmland through the acquisition of conservation easements in voluntary transactions with landowners. MALT also promotes public awareness and encourages policies which support and enhance agriculture.

### History

In the early 1970s, increased coastal development and plans for a city with a population of 125,000 people on the shores of Tomales Bay were just some of the ideas being proposed for the future of western Marin County, located about 40 miles north of San Francisco. The developments would have ended a 150-year-old tradition of family farming and permanently degraded many of the natural resource treasures of the area, but change seemed inevitable.

In a unique alliance, Marin ranchers and environmentalists came together to fight the development proposals. Ranching was given a second chance through a combination of restrictive zoning, land use regulations, active support for ranching by County government, and the establishment of Marin Agricultural Land Trust's (MALT) agricultural conservation easement program. "We felt MALT was an opportunity to be part of something really important to the future of Marin County," said MALT founder and dairywoman Ellen Straus, who died in 2002. Since its birth, the organization has permanently preserved nearly 46,000 acres of farmland that might otherwise have been sold or developed.

"What we've learned," adds wetlands biologist and co-founder Phyllis Faber, "is that you can have a vision of what you want the future to look like, and you can make it happen." Former Marin County Supervisor Gary Giacomini, who served on the founding board of directors would agree, "It's glorious to be involved in an effort that lasts forever," he said.

**Board of Directors and Executive Management as of June 30, 2013**

| Name | Position | Name | Position |
|---|---|---|---|
| Rick Lafranchi | Chair | Joe Gillach | Director |
| Chris Kelly | Vice Chair | Ralph Grossi | Director |
| Sam Dolcini | Secretary | Steve Kinsey | Director |
| Bob Bingham | Treasurer | Peter Martinelli | Director |
| | | Ellie Rilla | Director |
| Bill Barboni II | Director | Julie Evans Rossotti | Director |
| Sue Conley | Director | Neil Rudolph | Director |
| Mike Gale | Director | Gail Seneca | Director |
| Tony Gilbert | Director | Lynn Giacomini Stray | Director |

Jamison Watts
Executive Director

**MARIN AGRICULTURAL LAND TRUST**

(A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION)
June 30, 2013

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CERTIFIED PUBLIC ACCOUNTANTS

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# INDEPENDENT AUDITORS' REPORT

**The Board of Directors**
**Marin Agricultural Land Trust**

We have audited the accompanying financial statements of Marin Agricultural Land Trust (a California nonprofit organization) which comprise the statements of financial position as of June 30, 2013 and 2012 and the related statements of activities and changes in net assets, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

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

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

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

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

***Opinion***
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marin Agricultural Land Trust as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors
Marin Agricultural Land Trust

## INDEPENDENT AUDITORS' REPORT

*(Continued)*

***Other Matters:***

***Supplementary Schedules***

Our audit was conducted for the purpose of forming an opinion on the financial statements of Marin Agricultural Land Trust as a whole. The accompanying Supplementary Statement of Financial Position (Schedule A) and Supplementary Statement of Activities and Changes in Net Assets (Schedule B) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules A and B are fairly stated in all material respects in relation to the financial statements taken as a whole.

Regalia & Associates

***Danville, California***
***September 26, 2013***

## Statements of Financial Position

### June 30, 2013 and 2012

### Assets

| | 2013 Total | As Restated 2012 Total |
|---|---|---|
| Assets: | | |
| Cash and cash equivalents | **$ 492,832** | $ 79,056 |
| Investments | **9,467,899** | 9,844,759 |
| Receivables/inventory/prepaid expenses | **511,031** | 569,154 |
| Property and equipment, net | **1,389,361** | 1,386,413 |
| Other assets | **443,349** | 450,622 |
| Total assets | **$12,304,472** | $12,330,004 |

### Liabilities and Net Assets

| | 2013 Total | As Restated 2012 Total |
|---|---|---|
| Liabilities: | | |
| Accounts payable and accrued liabilities | **$ 628,208** | $ 159,389 |
| Total liabilities | **628,208** | 159,389 |
| Net Assets: | | |
| Unrestricted | **5,070,660** | 6,256,810 |
| Temporarily restricted | **1,637,251** | 1,495,452 |
| Permanently restricted | **4,968,353** | 4,418,353 |
| Total net assets | **11,676,264** | 12,170,615 |
| Total liabilities and net assets | **$12,304,472** | $12,330,004 |

## Statements of Activities and Changes in Net Assets

### For the Years Ended June 30, 2013 and 2012

| | 2013 Total | As Restated 2012 Total |
|---|---|---|
| *Support and revenue:* | | |
| Grants | **$4,024,500** | $1,577,012 |
| Contributions | **2,064,354** | 2,025,889 |
| Other support and revenue | **264,526** | 287,575 |
| Subtotal | **6,353,380** | 3,890,476 |
| *Other changes in net assets:* | | |
| Change in value of charitable gifts | **(2,099)** | (18,734) |
| Total support and revenue | **6,351,281** | 3,871,742 |
| Expenses: | | |
| Programs | **6,369,425** | 3,907,503 |
| General and administrative | **361,655** | 401,435 |
| Fundraising | **766,073** | 665,885 |
| Total expenses | **7,497,153** | 4,974,823 |
| Decrease in net assets from operating activities before investment return | **(1,145,872)** | (1,103,081) |
| Investment interest and dividends | **288,342** | 323,832 |
| Realized gains (losses) on investments | **75,154** | (45,794) |
| Net unrealized gains (losses) on investments | **288,025** | (220,621) |
| Total investment return | **651,521** | 57,417 |
| Decrease in net assets | **(494,351)** | (1,045,664) |
| Net assets at beginning of year (as previously reported) | **12,170,615** | 13,455,511 |
| Prior period adjustment | **-** | (239,232) |
| Net assets at end of year | **$11,676,264** | **$12,170,615** |

## Statements of Cash Flows
### For the Years Ended June 30, 2013 and 2012

| | 2013 | As Restated 2012 |
|---|---|---|
| *Cash flows from operating activities:* | | |
| Decrease in net assets | **$ (494,351)** | $ (1,045,664) |
| Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities: | | |
| Depreciation | **66,171** | 52,115 |
| Change in discount related to present value of receivables | **(5,570)** | 10,525 |
| Net realized and unrealized (gains) and losses on investments | **(363,177)** | 266,415 |
| Loss on disposal of property and equipment | **231** | 457 |
| Change in value of charitable gifts | **2,099** | 18,734 |
| Interest accrued on note receivable | **-** | (32) |
| *Changes in:* | | |
| Receivables | **61,594** | 434,173 |
| Option to purchase conservation easement | **-** | 310,000 |
| Construction in progress | **-** | 28,530 |
| Other noncurrent assets | **7,273** | (5,179) |
| Accounts payable and accrued liabilities | **468,819** | (185,766) |
| Net cash used for operating activities | **(256,911)** | (115,692) |
| *Cash flows from investing activities:* | | |
| Purchases, acquisitions and rollovers of investments | **(4,567,554)** | (2,966,755) |
| Proceeds from sales and maturities of investments | **5,307,591** | 3,292,383 |
| Acquisition of property and equipment | **(69,350)** | (366,648) |
| Net cash provided by (used for) investing activities | **670,687** | (41,020) |
| Increase (decrease) in cash and cash equivalents | **413,776** | (156,712) |
| Cash and cash equivalents at beginning of year | **79,056** | 235,768 |
| Cash and cash equivalents at end of year | **$ 492,832** | $ 79,056 |

## Statement of Functional Expenses
### For the Year Ended June 30, 2013
*(with Summarized Financial Information for the Year Ended June 30, 2012)*

| | Programs | General and Admin-istrative | Fund-raising | 2013 Total | As Restated 2012 Total |
|---|---|---|---|---|---|
| Salaries | $ 572,229 | $ 225,678 | $ 388,986 | **$1,186,893** | $1,058,631 |
| Payroll Taxes | 46,141 | 18,197 | 31,365 | **95,703** | 84,382 |
| Employee Benefits | 45,414 | 28,869 | 56,076 | **130,359** | 115,413 |
| Accounting | - | 14,850 | - | **14,850** | 11,600 |
| Advertising | 3,643 | 118 | - | **3,761** | 4,383 |
| Appraisal Costs | 4,500 | - | - | **4,500** | - |
| Conferences and training | 8,052 | 903 | 2,032 | **10,987** | 10,043 |
| Consultants | 94,314 | 11,373 | 32,193 | **137,880** | 214,198 |
| Cost of merchandise sold | 7,454 | 2,940 | 5,067 | **15,461** | 10,909 |
| Depreciation | 31,903 | 12,582 | 21,686 | **66,171** | 52,115 |
| Direct mail | 471 | 186 | 7,321 | **7,978** | 7,721 |
| Dues and subscriptions | 30,377 | 3,533 | 18,206 | **52,116** | 39,433 |
| Easement acquisition | 5,245,304 | - | - | **5,245,304** | 2,894,173 |
| Education Programs | 49,935 | - | - | **49,935** | 35,872 |
| Insurance | 14,357 | 4,242 | 7,312 | **25,911** | 17,076 |
| Legal | 4,053 | 4,012 | - | **8,065** | 25,855 |
| Lobbying | 38,644 | - | - | **38,644** | 7,000 |
| Occupancy | 22,891 | 5,609 | 9,669 | **38,169** | 39,743 |
| Office supplies (and equipment) | 12,510 | 4,801 | 8,275 | **25,586** | 29,353 |
| Other (credit card and bank fees) | 6,493 | 2,561 | 4,414 | **13,468** | 12,820 |
| Other Project Expenses | 2,096 | - | - | **2,096** | - |
| Postage | 1,700 | 2,550 | 12,968 | **17,218** | 16,900 |
| Printing | 12,961 | 798 | 55,399 | **69,158** | 43,019 |
| Special Events | 8,870 | 4,244 | 101,332 | **114,446** | 106,287 |
| Sponsorships | 87,956 | - | - | **87,956** | 11,210 |
| Stewardship Assistance Program | - | - | - | **-** | 100,000 |
| Telephone | 3,505 | 1,379 | 2,377 | **7,261** | 8,619 |
| Travel | 13,652 | 12,230 | 1,395 | **27,277** | 18,068 |
| | $6,369,425 | $ 361,655 | $ 766,073 | **$7,497,153** | $4,974,823 |

## Notes to Financial Statements
## June 30, 2013

### 1. Organization

Marin Agricultural Land Trust (MALT) was established as a California nonprofit corporation in 1980 by a coalition of local ranchers and environmentalists to help save Marin County's agricultural land. MALT acquires, in voluntary transactions with landowners, agricultural conservation easements. Some of the Bay Area's most highly acclaimed dairy products and organic crops are produced on farmland protected by MALT conservation easements, which total nearly 46,000 acres on 72 family farms and ranches. Additionally, MALT encourages public policies in support of agriculture, and conducts hikes, tours, and lectures relating to agriculture.

### 2. Summary of Significant Accounting Policies

*Basis of Accounting*
The financial statements of MALT and have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, accrued assets, accrued liabilities, and net asset accounts.

*Basis of Presentation*
Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958.205, *Presentation of Financial Statements of Not-for-Profit Entities*. Under ASC 958.205, MALT is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. MALT has also adopted the provisions of ASC 958.205.55.31 thru 958.205.55.53, *Presentation of Financial Statements – Endowment Disclosures* (which incorporated the previously issued FASB Staff Position No. FAS 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*).

*Revenue Recognition*
MALT records contributions in accordance with the recommendations of ASC 958.605, *Revenue Recognition of Not-for-Profit Entities*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

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

## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies *(continued)*

*Cash and Cash Equivalents*

MALT considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. MALT maintains its cash balances in high quality financial institutions, which at times may exceed federally insured limits. MALT has not experienced any losses in such accounts.

*Investments and Endowment*

MALT follows the provisions of *Accounting Standards Update (ASU) 2011-04, Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and IFRSs* [effective December 15, 2011] and has estimated the fair value of its investments using available market information and other valuation methodologies. Accordingly, the estimates presented are not necessarily indicative of the amounts that MALT could realize in a current market exchange. The use of different assumptions and/or estimation methods may have a material effect on the estimated fair value amounts. The estimates are based on pertinent information available to management as of June 30, 2013. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, current estimates of fair value may differ significantly from the statements presented.

Investments include money market funds, certificates of deposit, and mutual funds. Purchased investments are initially stated at cost. Investments received by gift are recorded at market value at the date of contribution. Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included on the statements of activities and changes in net assets.

MALT's endowment consists of a diverse mixture of funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by ASC 958.320, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. MALT has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, MALT classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as either temporarily restricted net assets or unrestricted net assets until those amounts are appropriated for expenditure by MALT in a manner consistent with the standard of prudence prescribed by UPMIFA (and SPMIFA, the State Prudent Management of Institutional Funds Act which California has adopted).

*Inventory*

Inventory includes various boutique items which are recorded at the lower of cost or market value using the first in-first out (FIFO) method and amounted to $58,893 and $16,313 at June 30, 2013 and 2012, respectively.

## 2. Summary of Significant Accounting Policies *(continued)*

*Property, Equipment, and Improvements*

Property and equipment are valued at cost or, if donated, at fair market value on the date of donation. Depreciation is provided by use of the straight-line method over the estimated useful lives of the assets. The cost of property and equipment which benefit future periods is capitalized and depreciated over the estimated useful life of each class of depreciable asset.

*Contributed Services and Costs*

Contributed services and costs are reflected at the fair value of the contribution received. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

*Net Assets*

In accordance with accounting principles generally accepted in the United States of America, financial statements must present classes of net assets based on the following categories: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Grants and contributions are classified in the appropriate net asset category based on the absence or existence of donor-imposed restrictions that limit the use of the donated assets if they are designated as support for future periods or future projects when they are received.

MALT reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets or if they are designated as support for future periods. When a donor's intended purpose is met or a time restriction expires, the temporarily restricted net asset is transferred to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions where restrictions are met in the same reporting period in which they are contributed are reported as unrestricted support.

Permanently restricted net assets include those net assets that must be maintained in perpetuity in accordance with donor restrictions (see Note 14). The investment return from such assets may be used for purposes as specified by the donor or, if the donor has not specified a purpose, the income from such investments is not restricted and is included in unrestricted net assets. Permanently restricted net assets were created by gifts from donors who stipulated that their contributions be used to perpetuate the operating and program activities of MALT.

Unrestricted net assets include all of those donated assets that have no restrictions or limitations imposed on their use. The Board of Directors may elect certain unrestricted funds to be set aside as Board designated funds, which may not be spent without approval by the Board.

*Reclassifications*

Certain reclassifications have been made to the 2012 financial statements in order to conform to the presentation used in 2013, including reclassification of certain beginning net asset balances on the statements of activities and changes in net assets.

## 2. Summary of Significant Accounting Policies *(continued)*

*Advertising*

Advertising costs are incurred by MALT to promote its programs and are expensed as incurred. Advertising expense amounted to $3,761 and $4,383 for the years ended June 30, 2013 and 2012, respectively, and such costs are reflected on the statement of functional expenses.

*Conservation Easements*

Conservation Easements reflect legally enforceable land preservation agreements between landowners and MALT and were created specifically for the purposes of land conservation. MALT's policy is to assign each easement a nominal value of $1 because it is the intention of MALT to hold such easements in perpetuity. During the year of acquisition, grants and contributions received for the acquisition of conservation easements are recorded as revenue while the related expenditures are recorded as expenses of the Land Preservation Fund (which is part of the unrestricted activities of the organization).

*Contributions*

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in unrestricted net assets, unless they are restricted in accordance with donor instructions, in which case such amounts are reflected as either temporarily or permanently restricted contributions (as indicated under *"Net Assets"* on page 8).

*Functional Allocation of Expenses*

The costs of providing MALT's various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Income Taxes*

Financial statement presentation follows the recommendations of ASC 740, *Income Taxes*. Under ASC 740, MALT is required to report information regarding its exposure to various tax positions taken by MALT and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold. Management believes that MALT has adequately evaluated its current tax positions and has concluded that as of June 30, 2013 MALT does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

MALT has received notification from the Internal Revenue Service and the State of California that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. The exemptions are subject to periodic review by the federal and state taxing authorities and management is confident that MALT continues to satisfy all federal and state statutes in order to qualify for continued tax exemption status. MALT could potentially receive unrelated business income in the future (such as program advertising or sub-lease rental income) requiring MALT to file separate tax returns under federal and state statutes. If such conditions exist, MALT will calculate and accrue the applicable taxes.

## Notes to Financial Statements

### 3. Cash and Cash Equivalents

Cash and cash equivalents include all funds in banks (checking, savings, and certificates of deposit) at the time of purchase that have a maturity date of three months or less. The components of cash and cash equivalents are as follows at June 30, 2013 and 2012:

| | 2013 | 2012 |
|---|---|---|
| Checking (noninterest-bearing) | $ 486,728 | $ 73,000 |
| Money market (interest-bearing) | 5,889 | 5,891 |
| Cash on hand | 215 | 165 |
| Total cash and cash equivalents | $ 492,832 | $ 79,056 |

MALT attempts to limit its credit risk associated with cash equivalents by utilizing highly rated financial institutions. Funds in money market accrue interest at 0.30% per annum at June 30, 2013.

### 4. Receivables

Receivables consist of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|---|---|---|
| Accounts receivable | $ 719 | $ 5,024 |
| Note Receivable - Land | - | 38,032 |
| Pledges Receivable | 175,200 | 314,200 |
| Grants Receivable | 157,500 | 30,000 |
| Bequests Receivable | 53,500 | 90,918 |
| Dividends Receivable | - | 381 |
| Discount on long-term pledges receivable | (9,003) | (14,573) |
| Total receivables | $ 377,916 | $ 463,982 |

Receivables are expected to be collected as follows at June 30, 2013:

| | |
|---|---|
| Year ending June 30, 2014 | $ 305,819 |
| Year ending June 30, 2015 | 69,050 |
| Year ending June 30, 2016 | 11,050 |
| Year ending June 30, 2017 | 1,000 |
| Subtotal | 386,919 |
| Less: Allowance for uncollectible amounts ** | - |
| Less: Unamortized discount | (9,003) |
| Subtotal | 377,916 |
| Long-term receivables (net) | (72,097) |
| Receivables due within one year | $ 305,819 |

Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4% per annum. The change in the value of the long-term receivables during the years ended June 30, 2013 and 2012 amounted to $5,570 and $10,525, respectively, and is reflected as a component of changes in temporarily restricted net assets.

** MALT uses the direct write-off method with regards to receivables deemed uncollectible. During the years ended June 30, 2013 and 2012, MALT recognized no bad debts. Management has evaluated the receivables as of June 30, 2013 and determined that such amounts are fully collectible based on the financial health of the donors involved.

## 5. Investments and Endowment

Investments consist of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|---|---|---|
| Money market accounts | **$ 3,967** | $ 1,694 |
| Mutual funds principally invested in bonds | **4,735,956** | 6,051,754 |
| Mutual funds principally invested in equity securities | **4,589,997** | 3,693,312 |
| Commodity linked derivatives | **137,979** | 97,999 |
| Total investments | **$ 9,467,899** | $ 9,844,759 |

Endowment net asset composition by type of fund is summarized as follows as of June 30, 2013:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---|---|---|---|
| Money market accounts | $ - | $ - | $ 3,967 | **$ 3,967** |
| Mutual funds principally invested in bonds | 3,169,502 | - | 1,566,454 | **4,735,956** |
| Mutual funds principally invested in equity securities | 564,645 | - | 4,025,352 | **4,589,997** |
| Commodity linked derivatives | - | - | 137,979 | **137,979** |
| Total investments | $ 3,734,147 | $ - | $ 5,733,752 | **$9,467,899** |

Changes in endowment net assets for the year ended June 30, 2013 and net asset composition by type of fund at June 30, 2013 is summarized as follows:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|---|---|---|---|
| Endowment net assets-beginning of year | $ 1,092,934 | $ - | $ 4,418,353 | **$ 5,511,287** |
| *Investment return:* | | | | |
| Investment income | 31,059 | - | - | **31,059** |
| Investment income–Perm Restricted Fund | - | 176,199 | - | **176,199** |
| Realized/unrealized gain-Interfund | 76,120 | - | - | **76,120** |
| Realized/unrealized gain-Perm Restricted | - | 367,698 | - | **367,698** |
| Total investment return | 107,179 | 543,897 | - | **651,076** |
| Contributions | 51,586 | 260,000 | 550,000 | **861,586** |
| Appropriation of endowment assets | (55,432) | (1,329) | - | **(56,761)** |
| Transfers to operating fund | (241,524) | - | - | **(241,524)** |
| *Endowment net assets by type of fund:* | | | | |
| Donor-restricted endowment funds | - | 802,568 | 4,968,353 | **5,770,921** |
| Board-designated endowment funds | 954,743 | - | - | **954,743** |
| Endowment net assets-end of year | $ 954,743 | $ 802,568 | $ 4,968,353 | **$ 6,725,664** |

During the years ended June 30, 2013 and 2012, earnings on investments were reinvested. Net realized gains (losses) amounted to $75,154 and ($45,794) for the years ended June 30, 2013 and 2012, respectively. Net unrealized gains (losses) amounted to $288,025 and ($220,621) for the years ended June 30, 2013 and 2012, respectively. All realized and unrealized gains (losses) are reflected as components of investment return on the statements of activities and changes in net assets.

**5. Investments and Endowment** *(continued)*

MALT has an Investment Committee which has the responsibility for establishing MALT's return objectives (generally lower rates of return associated with more stable and safer investments) and to define the risk parameters. The committee routinely oversees investment performances and reviews cash flows necessary to sustain MALT's operating activities.

*Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires MALT to retain as a fund of perpetual duration. In accordance with ASC 958.205.55.31, there are no deficiencies of this nature that are required to be reported in unrestricted net assets at June 30, 2013 and 2012. Such future deficiencies could result from unfavorable market fluctuations occurring after the investment of new restricted contributions and continued appropriation for certain programs which are deemed prudent by the Board of Directors. MALT's investments may decline below their original basis due to market fluctuations and unrealized losses which are beyond the control of MALT's management. Deficiencies of this nature are reported in unrestricted net assets.

*Return Objectives and Risk Parameters*

MALT has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that MALT must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Investment Committee and the Board of Directors, the endowment assets are invested in a manner that is intended to (1) produce results that approximate the price and yield results of the general market conditions (2) subject MALT to a moderate level of investment risk and (c) maintain sufficient liquidity to meet planned expenditures.

*Strategies Employed for Achieving Objectives*

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

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

MALT has a policy of appropriating for distribution an amount equal to or less than 4.5% of the average value of the total fund investments for the most recent twelve calendar quarters. Unrestricted funds may be transferred for expenditure monthly; amounts from permanently restricted funds in excess of their original, fixed value may be transferred for expenditure semi-annually or as otherwise directed by the donor. The Board may direct the transfer of unrestricted funds in excess of a target balance to other MALT purposes. Distributions from permanently restricted funds in excess of 7% of the fair market value of the fund, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for expenditure is made, are ordinarily deemed imprudent.

## Notes to Financial Statements

### 5. Investments and Endowment *(continued)*

*Spending Policy and How the Investment Objectives Relate to Spending Policy* *(continued)*
In accordance with this policy, MALT appropriated $56,761 and $311,063 which represented the board-approved budgeted draw from its investment portfolio for the years ended June 30, 2013 and 2012, respectively. The appropriation requires approval of the investment committee. In establishing this policy, MALT considered the long-term expected return on the investments in its endowment fund. Accordingly, over the long term, MALT expects the current spending policy to allow its endowment fund assets to grow at a moderate rate annually. This is consistent with MALT's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

### 6. Fair Value Measurements

Composition of assets utilizing fair value measurements at June 30, 2013 is as follows:

| | Totals | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Investments | $ 9,467,899 | $9,467,899 | $ - | $ - |
| Receivables | 377,916 | - | 377,916 | - |
| Inventory | 58,893 | 12,143 | - | 46,750 |
| Beneficial interest in charitable gifts | 443,277 | - | - | 443,277 |
| Conservation easements and options | 72 | - | - | 72 |
| Totals | $10,348,057 | $9,480,042 | $ 377,916 | $ 490,099 |

Fair value measurements establish a fair value hierarchy that prioritizes the input used to measure fair value. This hierarchy consists of three broad levels: (a) Level 1 measurement reflects the value of the investments at quoted prices in active markets for identical assets, generally without any adjustments, (b) Level 2 assets and liabilities are valued based on "observable inputs" other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves, and (c) Level 3 assets and liabilities are valued based on "unobservable inputs," such as a company's own estimates and pricing models.

Assets Classified as Level 3

The significant unobservable inputs used in the fair value measurement of the entity's asset-backed gifts are the estimated future values of the underlying assets. The income approach uses valuation techniques to convert future amounts (for example, cash flows or earnings) to a single present amount (discounted). The measurement is based on the value indicated by current market expectations about those future amounts. Those valuation techniques principally include present value techniques which incorporate certain rate of return assumptions. Conservation easements are valued by management at a nominal $1 per easement.

## Notes to Financial Statements

### 7. Beneficial Interest in Charitable Gifts

MALT was named the long-term beneficiary of two irrevocable charitable remainder trusts (CRTs) and five irrevocable charitable gift annuities (CGAs) in prior years whereby donors have contributed assets in exchange for annual distributions to named individuals. These distributions are based on the value of the gift instruments' underlying assets and the earnings thereon. Following the passing of the specified individuals, a percentage of the remaining principal will be distributed to MALT, with the remaining funds earmarked for other charities.

The CRTs are maintained by third-party trustees, while the CGAs are managed by independent foundations. The amount recorded on the books represents the projected future fair value of MALT's vested interest in the underlying asset (instrument) which are discounted to net present value using an interest rate of 5.5% per annum. On an annual basis, MALT revalues its beneficial interest in each instrument based on applicable life expectancy tables published by the Internal Revenue Service and the Centers for Disease Control. Since there is an implied time restriction, the beneficial interests are classified as temporarily restricted.

For the years ended June 30, 2013 and 2012, the interest in all of the life annuities was adjusted for changes in fair value of the assets held in the trusts. Management has determined that the fair values reflected on the statements of financial position as of June 30, 2013 and 2012 amounted to $443,277 and $445,376, respectively. These assets are classified as Level 3 under fair value hierarchy. The change in the value of the life annuities as reflected on the statements of activities and changes in net assets decreased by $2,099 and $18,734 for the years ended June 30, 2013 and 2012.

### 8. Property and Equipment

Property and equipment consist of the following at June 30, 2013 and 2012:

| | **2013** | 2012 |
|---|---|---|
| Land | **$ 462,582** | $ 462,582 |
| Office building and improvements | **998,971** | 994,726 |
| Furnishings and equipment | **117,002** | 113,846 |
| Website and software | **117,014** | 65,428 |
| Vehicles | **18,000** | 18,000 |
| Less accumulated depreciation | **(324,208)** | (268,169) |
| Total property and equipment (net) | **$ 1,389,361** | $ 1,386,413 |

Total depreciation expense amounted to $66,171 and $52,115 for the years ended June 30, 2013 and 2012, respectively, and is reported on the statement of functional expenses. During the years ended June 30, 2013 and 2012, MALT disposed of certain fully and partially depreciated equipment which resulted in a loss of $231 and $457, respectively. MALT owns and occupies the land and building in which its headquarters is based.

### 9. Conservation Easements

MALT purchased conservation easements totaling $5,245,304 and $2,894,173 during the years ended June 30, 2013 and 2012, respectively, and are reflected on the statement of functional expenses.

## Notes to Financial Statements

### 10. Related Party Transactions

MALT board members made monetary contributions totaling $42,405 and $164,212 during the years ended June 30, 2013 and 2012, respectively.

### 11. Retirement Plans

MALT offers eligible employees the opportunity to participate in a Simplified Employee Retirement Plan ("SEP IRA") which is qualified under the Internal Revenue Code. Employees of MALT, regardless of earnings, are eligible to participate in the Plan after two years of service. Employer contributions are discretionary and subject to the approval of the Board of Directors. Contributions are based on a percentage of each employee's eligible compensation, provided that the contribution does not exceed the statutory maximum of pre-tax deferrals set by the Internal Revenue Service. Employer contributions amounted to $37,956 and $37,367 for the years ended June 30, 2013 and 2012, respectively.

MALT has also established a 403(b)(7) Retirement Plan by which individual employees may, through salary reduction payments, make "pre-tax" contributions to a self-directed custodial account in which dividends, interest, capital gain, and other earnings accumulate on a tax-deferred basis.

### 12. Capital Campaign

During the year ended June 30, 2013, MALT launched a $1 million campaign to raise funds to protect a local farm. In connection with this campaign, a donor pledged $150,000, conditioned upon MALT raising an additional $150,000. This additional pledge has not been recorded in the financial statements because MALT had not yet raised all of the matching funds and it thus did not meet the criteria for recognition under ASC 958.605.30-8 *"Revenue Recognition of Not-For-Profit Entities."* However, this criteria was met as of August 2013 and the donors pledge was received on August 30, 2013.

### 13. Quasi-Endowment Fund with Marin Community Foundation

MALT is the beneficiary to "The Fund to Preserve Marin Agriculture: A Component Fund of the Marin Community Foundation." The purpose of the Fund is to accept contributions and, with the advice of the MALT Board of Directors, to distribute funds to support MALT's activities and programs. Marin Community Foundation retains control of the Fund and these assets are therefore not reflected in the financial statements. Management has estimated that this Fund has a fair value of $9,104 and $43,454 at June 30, 2013 and 2012, respectively.

### 14. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of ASC 710.25, *Compensated Absences*. Under ASC 710.25, MALT is required to record a liability for the estimated amounts of compensation and related benefits under existing employment laws. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability on the statements of financial position based on employee compensation rates. Accrued payroll liabilities amounted to $43,539 and $55,107 at June 30, 2013 and 2012, respectively.

## Notes to Financial Statements

### 15. Net Assets

*Unrestricted Net Assets*

Unrestricted net assets consist of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|---|---|---|
| Unrestricted cumulative operating activities | **$ 1,315,998** | $ 1,513,127 |
| Unrestricted for land preservation | **2,799,919** | 3,650,749 |
| Designated by the Board of Directors for endowment fund | **954,743** | 1,092,934 |
| Total unrestricted net assets | **$ 5,070,660** | $ 6,256,810 |

*Temporarily Restricted Net Assets*

Temporarily restricted net assets are summarized as follows for the year ended June 30, 2013:

| Restricted For: | Beginning | Additions | Reductions | Ending |
|---|---|---|---|---|
| Charitable Gift Annuities and Trusts | $ 445,376 | $ - | $ * 2,099 | **$ 443,277** |
| Distaff Thistle management | 42,460 | - | 9,379 | **33,081** |
| Easement acquisition | 903,500 | 3,868,649 | 4,443,791 | **328,358** |
| Feasibility study: | | | | |
| Tax issues for easement properties | 4,425 | - | - | **4,425** |
| General support for future periods | 14,000 | - | 11,000 | **3,000** |
| Mandatory Agricultural Use enforcement for future periods | 72,917 | - | 72,917 | **-** |
| Manuscript on the history of the Point Reyes Peninsula | 2,760 | - | 2,760 | **-** |
| Marin Carbon Project | 28,479 | - | - | **-** |
| Others | 2,514 | 12,529 | - | **15,043** |
| Stewardship support | 7,500 | 803,896 | 1,329 | **810,067** |
| Prior period adjustment (Note 17) | (28,479) | - | - | **-** |
| Balance (as restated at June 30, 2012) | $ 1,495,452 | | | **$ 1,637,251** |

* Represents the change in the calculated values of the charitable gifts. The net change of ($2,099) has been reflected as an "other change in net assets" under temporarily restricted on the statements of activities and changes in net assets for the year ended June 30, 2013.

*Permanently Restricted Net Assets*

Permanently restricted net assets consist of the following at June 30, 2013 and 2012:

| | 2013 | 2012 |
|---|---|---|
| Gifts received and restricted for endowment programs | **$ 4,968,353** | $ 4,418,353 |

Contributions of permanently restricted net assets amounted to $550,000 during the year ended June 30, 2013. There were no contributions to permanently restricted net assets during the year ended June 30, 2012. All of the endowment funds, classified as permanently restricted net assets, represent donor contributions that are subject to restrictions of gift instruments requiring that the principal balances be maintained in perpetuity. The income generated from these instruments are to be used for the perpetual monitoring and enforcement of MALT's conservation easement properties. By law, MALT is permitted to transfer all interest and realized/unrealized gains to unrestricted net assets. During the years ended June 30, 2013 and 2012, MALT utilized investment earnings generated by assets classified as permanently restricted (see Note 5).

## 16. Obligation to the Marin Carbon Project

The Marin Carbon Project (MCP) is a collaboration between UC Berkeley, UC Davis, UC Cooperative Extension, Marin Organic, MALT, Marin Resource Conservation District, the USDA Natural Resources Conservation Service, and Nicasio Native Grass Ranch. It is also supported by the Marin County Agriculture Commissioner and the Environmental Defense Fund. In connection with its support of the MCP, MALT has collected $536,201 in funds which are reflected as a liability on the statements of financial position at June 30, 2013.

## 17. Other Commitments and Contingencies

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to enter into contracts and future program activities, which are not reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which include (a) Grant restrictions and donor conditions which obligate MALT to fulfill certain requirements as set forth in grant instruments, (b) Funding levels which vary based on factors beyond MALT's control, such as generosity of donors and general economic conditions, and (c) Financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments or contingencies have been properly addressed, appropriate amounts have been accrued (where necessary), and there will not be any resolution with a material adverse effect on the financial statements. Certain of the grants and contracts are subject to audit and final acceptance by the granting agency.

## 18. Restatement: Prior Period Adjustment

During the year ended June 30, 2013, MALT changed the way it accounts for its fiscal sponsorship relationship with the Marin Carbon Project (MCP). In prior years, MALT treated the grants received on behalf of the MCP as temporarily restricted net assets, with amounts transferred to unrestricted net assets when offsetting expenses were incurred. All of the expenses paid on behalf of MCP were treated as MALT expenses for financial reporting purposes and reflected on the statement of functional expenses. Beginning with the fiscal year ended June 30, 2013, MALT began recording the grants received for MCP in a liability account and reduced that liability when making payments on behalf of MCP. In restating the prior year financials to reflect this change, the beginning balance in temporarily restricted net assets relating to MCP is considered to be a prior period adjustment for the fiscal year ended June 30, 2012. The net impact of this change in accounting treatment resulted in the overstatement of total net assets of $27,687 and $239,232 as of June 30, 2012 and 2011, respectively.

## 19. Subsequent Events

In compliance with ASC 855, *Subsequent Events*, MALT has evaluated subsequent events through September 26, 2013, the date the financial statements were available to be issued. In August 2013, MALT acquired an Option to Purchase a Conservation Easement on a local ranch. The terms of the option agreement call for a single payment by MALT to the ranch owner in the amount of $50,000. With this option, MALT has the right to purchase the easement for a bargain sale easement acquisition price. The option period is set to expire on August 1, 2014. In the opinion of management there are no other subsequent events which need to be disclosed.

## MARIN AGRICULTURAL LAND TRUST

### Supplementary Statement of Financial Position
### June 30, 2013
*(with Summarized Financial Information for June 30, 2012)*

### Assets

| | Unrestricted | | | | Tempo-rarily | Perman-ently | 2013 | As Restated 2012 |
|---|---|---|---|---|---|---|---|---|
| Total Assets: | Operating | Land Preservation | Board Designated | Total | Restricted | Restricted | Total | Total |
| Cash and cash equivalents | 367,094 | 125,367 | 371 | 492,832 | - | - | **492,832** | 79,056 |
| Investments | 8,529 | 2,789,785 | 935,831 | 3,734,145 | - | 5,733,754 | **9,467,899** | 9,844,759 |
| Receivables | 150,719 | - | 53,500 | 204,219 | 173,697 | - | **377,916** | 463,982 |
| Inventory | 58,893 | - | - | 58,893 | - | - | **58,893** | 16,313 |
| Prepaid expenses and other assets | 46,826 | 26,880 | 516 | 74,222 | - | - | **74,222** | 88,859 |
| Interfund receivables (payables) | (78,098) | (141,229) | (35,549) | (254,876) | 1,020,277 | (765,401) | **-** | - |
| Property and equipment, net | 1,389,287 | - | 74 | 1,389,361 | - | - | **1,389,361** | 1,386,413 |
| Beneficial interest in charitable gifts | - | - | - | - | 443,277 | - | **443,277** | 445,376 |
| Conservation easements and options | - | 72 | - | 72 | - | - | **72** | 5,246 |
| Total assets | 1,943,250 | 2,800,875 | 954,743 | 5,698,868 | 1,637,251 | 4,968,353 | **12,304,472** | 12,330,004 |

### Liabilities and Net Assets

| | Operating | Land Preservation | Board Designated | Total | Temporarily Restricted | Permanently Restricted | 2013 Total | 2012 Total |
|---|---|---|---|---|---|---|---|---|
| Liabilities: | | | | | | | | |
| Accounts payable and accrued liabilities | 31,740 | 956 | - | 32,696 | - | - | **32,696** | 104,282 |
| Deferred revenue | 15,772 | - | - | 15,772 | - | - | **15,772** | - |
| Obligation to Sponsored Project | 536,201 | - | - | 536,201 | - | - | **536,201** | - |
| Accrued payroll liabilities | 43,539 | - | - | 43,539 | - | - | **43,539** | 55,107 |
| Total liabilities | 627,252 | 956 | - | 628,208 | - | - | **628,208** | 159,389 |
| Net Assets: | | | | | | | | |
| Unrestricted | 1,315,998 | 2,799,919 | 954,743 | 5,070,660 | - | - | **5,070,660** | 6,256,810 |
| Temporarily restricted | - | - | - | - | 1,637,251 | - | **1,637,251** | 1,495,452 |
| Permanently restricted | - | - | - | - | - | 4,968,353 | **4,968,353** | 4,418,353 |
| Total net assets | 1,315,998 | 2,799,919 | 954,743 | 5,070,660 | 1,637,251 | 4,968,353 | **11,676,264** | 12,170,615 |
| Total liabilities and net assets | 1,943,250 | 2,800,875 | 954,743 | 5,698,868 | 1,637,251 | 4,968,353 | **12,304,472** | 12,330,004 |

## MARIN AGRICULTURAL LAND TRUST

### Supplementary Statement of Activities and Changes in Net Assets

### For the Year Ended June 30, 2013

*(with Summarized Financial Information for the Year Ended June 30, 2012)*

| | Unrestricted | | | | Tempo- rarily Restricted | Perman- ently Restricted | 2013 Total | As Restated 2012 Total |
|---|---|---|---|---|---|---|---|---|
| | Operating | Land Preservation | Board Designated | Total | | | | |
| *Support and revenue:* | | | | | | | | |
| Grants | 30,000 | - | - | 30,000 | 3,444,500 | 550,000 | **4,024,500** | 1,577,012 |
| Contributions | 1,237,398 | 71,500 | - | 1,308,898 | 755,456 | - | **2,064,354** | 2,015,364 |
| Bequests and memorials | - | - | 50,257 | 50,257 | - | - | **50,257** | 117,119 |
| In-kind contributions | 77,011 | - | - | 77,011 | - | - | **77,011** | 20,461 |
| Net assets released from restrictions | 151,025 | 4,453,171 | 1,329 | 4,605,525 | (4,605,525) | - | **-** | - |
| Commision income-Landscape art sales | 55,023 | - | - | 55,023 | - | - | **55,023** | 64,675 |
| Outreach program | 30,616 | - | - | 30,616 | - | - | **30,616** | 52,779 |
| Merchandise sales | 8,815 | - | - | 8,815 | - | - | **8,815** | 4,811 |
| Special projects | 10,780 | - | - | 10,780 | - | - | **10,780** | - |
| Fiscal sponsor fee | 2,100 | - | - | 2,100 | - | - | **2,100** | - |
| Special events | 24,354 | - | - | 24,354 | - | - | **24,354** | 27,730 |
| Subtotal | 1,627,122 | 4,524,671 | 51,586 | 6,203,379 | (405,569) | 550,000 | **6,347,810** | 3,879,951 |
| *Other changes in net assets:* | | | | | | | | |
| Change in value of charitable gifts | - | - | - | - | (2,099) | - | **(2,099)** | (18,734) |
| Change in discount on pledges receivable | - | - | - | - | 5,570 | - | **5,570** | 10,525 |
| Total support and revenue | 1,627,122 | 4,524,671 | 51,586 | 6,203,379 | (402,098) | 550,000 | **6,351,281** | 3,871,742 |
| Expenses: | | | | | | | | |
| Programs | 992,603 | 5,353,952 | 22,870 | 6,369,425 | - | - | **6,369,425** | 3,907,503 |
| General and administrative | 361,361 | (5) | 299 | 361,655 | - | - | **361,655** | 401,435 |
| Fundraising | 750,972 | (8) | 15,109 | 766,073 | - | - | **766,073** | 665,885 |
| Total expenses | 2,104,936 | 5,353,939 | 38,278 | 7,497,153 | - | - | **7,497,153** | 4,974,823 |
| Increase (decrease) in net assets from operating activities before investment return | (477,814) | (829,268) | 13,308 | (1,293,774) | (402,098) | 550,000 | **(1,145,872)** | (1,103,081) |
| Investment interest and dividends | 2,488 | 78,597 | 31,059 | 112,144 | 176,198 | - | **288,342** | 323,832 |
| Realized gains (losses) on investments | 1,146 | 22,727 | 24,666 | 48,539 | 26,615 | - | **75,154** | (45,794) |
| Net unrealized investment gains (losses) | (399) | (104,114) | 51,454 | (53,059) | 341,084 | - | **288,025** | (220,621) |
| Total investment return | 3,235 | (2,790) | 107,179 | 107,624 | 543,897 | - | **651,521** | 57,417 |
| Increase (decrease) in net assets | (474,579) | (832,058) | 120,487 | (1,186,150) | 141,799 | 550,000 | **(494,351)** | (1,045,664) |
| Net assets at beginning of year (as previously reported) | 1,513,127 | 3,650,749 | 1,092,934 | 6,256,810 | 1,495,452 | 4,418,353 | **12,170,615** | 13,455,511 |
| Prior period adjustment | - | - | - | - | - | - | **-** | (239,232) |
| Interfund transfers | 277,450 | (18,772) | (258,678) | - | - | - | **-** | - |
| Net assets at end of year | **1,315,998** | **2,799,919** | **954,743** | **5,070,660** | **1,637,251** | **4,968,353** | **11,676,264** | **12,170,615** |