

ALLEGHENY LAND TRUST
AUDITED FINANCIAL STATEMENTS
Years ended June 30, 2015 and 2014

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Allegheny Land Trust

We have audited the accompanying financial statements of Allegheny Land Trust ("ALT"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 organization'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 organization'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.

INDEPENDENT AUDITOR'S REPORT
(continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ALI as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Stefferson & Co. LLP

September 10, 2015

ALLIANCE FUND TRUST

STATEMENT OF FINANCIAL POSITION

As of period ending 03/31/2015

	First quarter	Second quarter	Third quarter	Fourth quarter	Total
ASSETS					
Cash and cash equivalents	\$ 233,193	\$ 583,051	\$ 1,077,083	\$ 187,500	\$ 1,891,766
Cash held in escrow (Note 3)			12,056		12,056
Other receivables	811				811
Investment assets (Note 2)		891,875	43,928	908,473	1,411,111
Prepaid expenses	1,152				1,152
Property, improvements and easements (Note 4)	59,701	285,290		10,910,100	11,595,141
Fund deposit and pre-acquisition costs				12,119	12,119
Equipment, net of accumulated depreciation of \$34,021	5,185				5,185
Total assets	\$ 11,198	\$ 1,760,166	\$ 1,113,069	\$ 11,169,142	\$ 13,885,053
LIABILITIES AND NET ASSETS					
Liabilities:					
Accounts payable	\$ 98,119	\$	\$	\$	\$ 98,119
Cash held in escrow (Note 3)			12,056		12,056
Total liabilities	98,119		12,056		110,175
Net assets (Note 2):					
Endowment		1,174,977	41,915	577,175	1,545,999
Other	661,769	285,290	1,057,068	10,912,314	12,588,888
Total net assets	661,769	1,760,166	1,098,983	11,169,142	14,153,830
Total liabilities and net assets	\$ 1,113,588	\$ 1,760,166	\$ 1,113,069	\$ 11,169,142	\$ 13,885,053

The accompanying figures are an abridged part of the financial statements of

MEADOWS EXPLORATION

STATEMENTS OF FINANCIAL POSITION

Year ended June 30, 2013

	Unrestricted	Contractual	Leasehold	Development	Total
ASSETS					
Cash and cash equivalents	\$ 80,138	\$ 583,119	\$ 131,001	\$ 48,750	\$ 1,151,751
Cash held in custody (Note 7)			17,523		17,523
Investments (Note 8 and 9)		885,888	55,691	18,521	1,119,199
Prepaid expenses	5,629				5,629
Property improvements and leasehold (Note 4)	151,309	28,739		10,110,413	10,671,561
Fund deposits and pre-acquisition costs				6,800	6,800
Equipment, net of accumulated depreciation of \$17,457	7,118				7,118
Total assets	\$ 295,294	\$ 1,753,466	\$ 309,712	\$ 10,685,293	\$ 13,191,696
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable	\$ 16,256	\$	\$	\$	\$ 16,256
Other liabilities	157		4,600		4,857
Cash held in custody (Note 7)			17,523		17,523
Total liabilities	16,413		22,123		38,536
Net assets (Note 9)					
Endowment		1,165,277	28,691	216,293	1,710,941
Other	208,871	285,189	156,001	10,438,752	11,388,853
Total net assets	208,871	1,753,466	381,695	10,685,299	13,099,261
Total liabilities and net assets	\$ 295,294	\$ 1,753,466	\$ 309,712	\$ 10,685,293	\$ 13,191,696

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

ACT 1031 NY - AMENDMENT

STATEMENT OF FINANCIAL POSITION - ASSETS

Year ended June 30, 2019

	Fundal	Non-fundal - Board designated	Fundal - restricted	Non-fundal - restricted	Total
Support and other revenue					
Contributions	\$ 81,058	\$ -	\$ 439,150	\$ 149,300	\$ 669,558
Grants	27,015	-	1,561,531	-	1,618,566
Fundraising events	10,817	-	-	-	10,817
Net gain (loss) on investments (Note 4)	-	-	-	-	-
Investment advisory fees	741	6,709	13,841	436,769	568,060
Other revenue	5,668	-	-	-	5,668
Loss on sale of property (Note 4)	138,455	-	-	-	138,455
Transfers	1,014,345	-	11,749,472	355,087	12,118,904
Total support and other revenue	1,880,199	6,709	12,202,153	481,116	14,570,177
Expenditures and losses					
Program services	435,611	-	-	-	435,611
Fundraising	155,311	-	-	-	155,311
General and administrative	157,506	-	-	-	157,506
Donation of property (Note 4)	1,023,134	-	-	-	1,023,134
Refund of contribution revenue	50,000	-	-	-	50,000
Total expenditures and losses	1,781,562	-	-	-	1,781,562
Increase in net assets	98,637	6,709	1,999,153	184,213	2,288,712
Net assets at beginning of year	208,871	1,753,406	451,495	10,495,159	12,908,931
Net assets at end of year	\$ 307,508	\$ 1,760,115	\$ 1,450,648	\$ 11,169,372	\$ 13,287,643

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

WILLOW COUNTY BOARD

STATEMENT OF ACTIVITIES AND FINANCIAL RESULTS

Year ended June 30, 2011

	Operating	Non-Operating	Transfers	Financially	Total
	Income	Income	Income	Income	
Support and Other Income					
Contributions	\$ 98,600	\$ -	\$ 0	\$ 0	\$ 98,600
Grants	15,156	-	0	-	15,156
Employment cost	96,250	-	0	0	96,250
Net state income (State's net of investment income)	1,500	12,500	17,000	51,500	82,500
Other income	5,800	10,000	1,000	-	16,800
Gain/loss of property (Note 3)	16,150	-	-	-	16,150
Expenses	(1,500)	(1,150)	(80,880)	(6,900)	(90,330)
Total support and other income	129,916	11,350	16,200	44,600	202,066
Expenditures and fees					
Program services	388,500	-	-	-	388,500
Administration	119,085	-	-	-	119,085
Capital and infrastructure	116,500	-	-	-	116,500
Loss on equipment of property (Note 3)	-	-	-	85,000	85,000
Total expenditures and fees	624,085	-	-	85,000	709,085
Increase (decrease) in net assets	(434,169)	11,350	16,200	(40,400)	(406,019)
Net assets at beginning of year	5,500	1,578,000	1,000,000	10,014,040	17,097,540
Net assets at end of year	\$ 5,500	\$ 1,589,350	\$ 1,016,200	\$ 9,973,640	\$ 13,684,750

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

MEMORANDUM

STATEMENT OF CASH FLOWS

For the Year Ended 1974

	1974	1973	1972	1971	Total
Cash flows from operating activities:					
Receipts from sales	\$ 1,068,535	1,050,800	1,123,835	1,817,115	4,060,285
Advance payments from customers					
Receipts from operations controlled by operations outside					
Dividends	600				600
Gain on sale of 100% owned subsidiary corporation	1,000	1,700	15,200	20,000	38,900
Repurchase of common stock				(2,000)	(2,000)
Contributions by				1,100,000	1,100,000
Donations (property, plant & equipment)				1,000,000	1,000,000
Loss on sale of property, plant & equipment	18,400				18,400
Loss on sale of available-for-sale securities			1,000,000		1,000,000
Contributions from other companies					
Gain on sale of property, plant & equipment	100,000				100,000
Proceeds from sale of available-for-sale securities	5,000				5,000
Receipts from sale of investment property					
Other receivables	15,511				15,511
Prepaid expenses and other assets	100				100
Accounts payable	1,000				1,000
Other liabilities	11,000		100,000		111,000
Total cash provided by operating activities	116,546	1,700	106,035	1,487,115	1,691,296
Cash flows from investing activities:					
Proceeds from sale of property	10,000				10,000
Proceeds from sale of				(1,000,000)	(1,000,000)
Yearly deposit and purchase of available-for-sale securities				1,000,000	1,000,000
Proceeds from sale of available-for-sale securities		100,000	50,000		150,000
Purchase of investments		(100,000)	(50,000)		(150,000)
Net cash provided by investing activities	10,000	(1,000)	100,000	(1,000,000)	100,000
Cash flows from financing activities:					
Proceeds from proceeds distributions				500	500
Proceeds from sale of stock and other financial instruments					
Proceeds from sale of available-for-sale securities			100,000		100,000
Total cash provided by financing activities			100,500	500	101,000
Receipts from sale of available-for-sale securities	50,000	100,000	500,000	100,000	750,000
Loss on sale of available-for-sale securities	50,000	500,000	470,000	15,000	1,575,000
Construction expense, construction	\$ 1,110,000	\$ 1,810,000	\$ 1,000,000	\$ 1,000,000	\$ 4,920,000
Supplemental disclosure information:					
Change in cash and cash equivalents	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,000,000

ALCOHOLSALES LIMITED

STATEMENT OF CASH FLOWS

Year ended June 30, 2014

	Continental	Overseas Boarding	Continental	Domestically produced	Total
Cash flows from operating activities					
Increase (decrease) from loss	\$ (144,154)	\$ 318,000	\$ (545,590)	\$ 67,257	\$ 394,513
Adjustment of activities to reconcile loss to net change in cash provided (by) used in operating activities					
Depreciation	2,992	-	-	-	2,992
Net realized and unrealized gain on investment	-	(17,268)	(8,589)	(25,857)	(41,127)
Reversal of share-based compensation	-	-	-	(11,299)	(11,299)
Contributed property	-	-	-	(85,000)	(85,000)
Impairment loss on projects	-	-	-	(85,000)	(85,000)
Gain on sale of property	(167,164)	-	-	-	(167,164)
Write-off of land deposit and pre-acquisition cost	-	-	-	(4,714)	(4,714)
Increase (decrease) in cash flows changes in:					
Assets and other assets	(5,200)	-	-	-	(5,200)
Prepaid expenses and other assets	(80)	-	-	-	(80)
Accounts payable	(5,199)	-	-	-	(5,199)
Other liabilities	85	-	(5,000)	-	(4,915)
Net cash provided by (or used in) operating activities	476,941	267,283	(517,889)	65,206	132,531
Cash flows from investing activities					
Purchases of property and improvements	(3,941)	-	-	-	(3,941)
Proceeds from sale of property	547,284	-	-	-	547,284
Purchase of property	-	-	-	(105,000)	(105,000)
Land deposit and pre-acquisition cost paid	-	-	-	(6,800)	(6,800)
Land deposit and pre-acquisition cost recorded	-	-	-	50,000	50,000
Buy (sell) bond financing	845	(815)	-	-	30
Proceeds from sale of investments	-	997,750	(4,288)	-	993,462
Purchases of intangibles	-	(609,394)	(51,280)	(43,860)	(704,534)
Net cash provided by (or used in) investing activities	238,536	(18,947)	(6,568)	(1,040)	(183,029)
Cash flows from financing activities					
Permanently restricted contributions	-	-	-	(1,750)	(1,750)
Net increase (decrease) in cash and cash equivalents	(71,937)	248,336	(574,726)	(17,114)	(131,991)
Cash and cash equivalents, beginning of year	105,023	136,505	995,280	50,960	1,487,768
Cash and cash equivalent, end of year	\$ 33,086	\$ 384,841	\$ 420,554	\$ 33,846	\$ 1,353,777
Supplemental disclosure of non-cash financing and financing activities:					
Land deposit and pre-acquisition cost applied to purchase of property	\$ -	\$ -	\$ -	\$ 55,000	\$ -

The accompanying notes are an integral part of this financial statement.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION

Allegheny Land Trust ("ALT") was formed in 1993 as a domestic nonprofit organization in the Commonwealth of Pennsylvania. The focus of the organization is to preserve green space and biological diversity in Allegheny County and surrounding areas. ALT acquires and manages land and supports the conservation efforts of landowners, communities, government and other nonprofit organizations. ALT also preserves trail corridors, scenic views and historic features where they coincide with natural lands. ALT supports local trail organizations using restricted grant monies awarded to ALT. In addition, ALT supports conservation education throughout the greater Pittsburgh area.

In December 2010, ALT received accreditation from the Land Trust Accreditation Commission ("LTAC"), an independent program of the Land Trust Alliance. Accreditation was the result of an 18 month process involving an intense audit of ALT's practices, records, policies and procedures for consistency with the Land Trust Alliance's 12 Standards and 88 Practices for land trusts, which ALT has adopted. In the words of the LTAC, "Accredited land trusts have demonstrated their commitment to national quality standards for nonprofit management and land conservation. The accreditation program verifies that the land trust has systems in place to keep its promise of permanent land protection." Currently there are approximately 1,700 land trusts operating in the United States of America and ALT is one of only 37 that are accredited. Accreditation from LTAC is valid for a five year term, ALT is currently in process of applying for reaccreditation. Accreditation currently runs through December 31, 2015.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

Under accounting principles generally accepted in the United States of America, ALT is required to report its financial position and activities according to three classes of net assets, as follows:

Unrestricted net assets

These net assets are the net assets that are neither permanently nor temporarily restricted by donor or grantor-imposed stipulations.

ALT designates certain unrestricted assets as Board designated. These assets include two properties as of June 30, 2015 and 2014 that were not specifically donated or purchased with the stipulation they would be held for conservation (see Note 4). The Board chose to restrict the land for such purposes. In addition, certain funds not specifically donor restricted, but raised for the purposes of stewardship or operational use, have been designated by the Board specifically for that purpose (see Note 9).

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of presentation (continued)

Temporarily restricted net assets

These net assets result from contributions or other inflows of assets limited by donor stipulations that either expire by the passage of time or can be fulfilled and removed by actions of ALT pursuant to those stipulations. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported as transfers in the statements of activities and changes in net assets. Grants or other donations that are donor designated for specific stewardship projects are classified as temporarily restricted and released at the time the restriction has been met.

Permanently restricted net assets

These net assets reflect the donation of land or the purchase of land with funds specifically donated for the purchase of land with the stipulation that the land is to be held for preservation purposes. Grants and other fundraising efforts for the purchase of land suggest the land will be permanently used for conservation. In addition, certain funds specifically restricted by donors for the purpose of funding stewardship and operating endowment funds are also permanently restricted (see Note 9). Temporarily restricted net assets held for the purchase of land for preservation are reclassified from temporarily restricted to permanently restricted net assets upon the purchase of land so designated and are included in transfers in the statements of activities and changes in net assets.

Cash and cash equivalents

For financial reporting purposes, ALT considers cash and cash equivalents to include cash on hand and at banks and short term investments with original maturities of three months or less at the time of purchase. ALT maintains its cash and cash equivalents at financial institutions which, at times, may exceed federally insured limits. ALT does not believe that it is exposed to any significant credit risk related to this concentration.

Investments and related income

Investments are reported at fair value in the statements of financial position. Investment and dividend income, changes in the fair value of investments, as well as realized gains and losses, are included in net gain (loss) on investments in the statements of activities and changes in net assets. The fair value of short term investments approximates their cost. The fair value of equity funds and common stocks is based on their quoted market prices. Fixed income investments include U.S. government obligations and fixed income mutual funds and are reported at their fair value based on quoted market prices.

ALLEGHENY LAND TRUST
NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and related income (continued)

Investments considered to be permanently impaired are written down to their estimated net realizable value and the write down is recorded as a realized loss on investments within net gain (loss) on investments in the statements of activities and changes in net assets.

Realized gains and losses on disposals of investments are determined by the specific identification method, except for equity and bond mutual funds for which the cost of shares sold is determined by the first in – first out method.

Interest and dividend income are recognized on the accrual basis.

Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Concentrations

During the year ended June 30, 2015, one grantor provided approximately 36% of total support and other revenue. During the year ended June 30, 2014, there were no concentrations of revenue.

Functional allocation of expenses

Expenses which are specifically identifiable are charged directly to their respective functions. Joint costs are allocated between program services, fundraising, and general and administrative expenses. The allocations are based on employee job descriptions and applicable allocation calculations. The allocation of total joint costs was as follows for the years ended June 30:

	2015	2014
Program services	\$ 309,547	\$ 275,135
Fundraising	113,629	102,467
General and administrative	68,846	56,252
	\$ <u>492,022</u>	\$ <u>433,854</u>

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions, grants and grants receivable

Contributions are donations received from corporations and individuals. Grants are received from foundations and public or governmental agencies. Contributions or grants are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions or grants subject to conditions are recorded as revenue when the conditions limiting the transfer of assets have been satisfied, typically when the promise becomes irrevocable.

Grants receivable consist of unconditional grants and conditional grants whose conditions have been met in the current fiscal year. Conditional grants totaling \$320,000 were pledged to ALT as of June 30, 2015 and 2014 and are not reflected in the financial statements as the conditions upon which they are to be received have not yet been satisfied.

Property, improvements and easements

Property and improvements, consisting of land and improvements made to land, are initially recorded at the cost of acquisition and improvements or, for donated assets, at estimated fair value at the date of donation. Fair value is determined by taking into consideration pertinent data including the location of the property, its zoning classification, availability of public utilities, the size, shape, contour and limited usability of these parcels, sales of similar parcels of vacant land throughout the area, and the trend of the neighborhood and business conditions in general, at the time of donation, plus out of pocket expenses related to the acquisition. The carrying values of property and improvements are evaluated in relation to the operating performance and future undiscounted cash flows of the underlying assets if an event or series of events occur which may indicate impairment. Management estimates impairment loss based on anticipated future cash flows from the sale of land, net of selling costs, based on offers received and sales of comparable properties. The inputs used to determine the impairment are similar to Level II inputs within the fair value hierarchy as defined in Note 3.

ALT holds conservation easements for the purposes of outdoor recreation by, or the education of, the general public, conserving the natural habitat of fish, wildlife, or plants, open space, or historically important land areas. Easements represent certain rights or deed restrictions held by ALT. Easements can be gifted to ALT by a third party, purchased by ALT, or retained by ALT if land once held in fee by ALT is sold or gifted to a third party. Although conservation easements are real property rights, they possess no market value to ALT. The acreage of ALT's easements as of June 30, 2015 and 2014 is disclosed in Note 4.

ALLEGHENY LAND TRUST
NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment is recorded at cost and includes renewals and betterments that extend the physical or economic life of an asset. Depreciation is computed over periods ranging from three to seven years using the straight-line method. Maintenance and repairs are charged to expense as incurred. When equipment is sold or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved and any resulting gain or loss is reflected in the statements of activities and changes in net assets.

Subsequent events

ALF evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through September 30, 2015, the date on which the financial statements were available to be issued.

Taxes

ALF is a qualified tax-exempt nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income tax under Section 501(a) of the Internal Revenue Code. ALF is obligated to pay income taxes on its unrelated business income (as defined), if any.

The Financial Accounting Standards Board Accounting Standards Codification topic on Income Taxes clarifies recognition, measurement, presentation and disclosure relating to uncertain tax positions. ALF evaluates uncertain tax positions for recognition by determining whether evidence indicates it is more likely than not that a position will be sustained if examined by taxing authorities. As of June 30, 2015 and 2014, ALF is unaware of any uncertain tax positions. ALF's federal income tax and excise tax returns for tax years 2012 and beyond remain subject to examination by the Internal Revenue Service.

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 as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 3. INVESTMENTS

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on the extent of market price observability:

Level I—Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments in Level I include short-term investments, listed common stocks and equity funds, and fixed income. ALF's investments are entirely composed of Level I investments as of June 30, 2015 and 2014.

Level II—Pricing inputs are other than quoted market prices included in Level I, however, are observable either directly or indirectly for the investment. ALF was not invested in any Level II investments as of June 30, 2015 or 2014.

Level III—Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. ALF was not invested in any Level III investments as of June 30, 2015 or 2014.

The fair value and the corresponding cost of ALF's investments are as follows as of June 30:

	2015		2014	
	Fair value	Cost	Fair value	Cost
Short-term investments	\$ 16,894	\$ 16,894	\$ 17,370	\$ 17,370
Equity funds and common stocks	643,180	582,114	318,493	603,386
Fixed income	481,237	490,257	361,509	364,676
	<u>\$ 1,141,311</u>	<u>\$ 1,089,265</u>	<u>\$ 1,130,372</u>	<u>\$ 995,732</u>

Investments in two equity funds and one fixed income fund account for approximately 28% and 27% of ALF's investments as of June 30, 2015 and 2014, respectively.

ALLEGHENY LAND TRUST
NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 INVESTMENTS (continued)

Net gain (loss) on investments consists of the following for the years ended June 30:

	2015				
	Unrestricted	Unrestricted- Board designated	Temporarily restricted	Permanently restricted	Total
Interest and dividend income	\$ 911	\$ 15,341	\$ 13,513	\$ --	\$ 29,765
Realized gain (loss) on investments	(13,705)	67,133	9,416	--	62,844
Unrealized gain (loss) on investments	--	(65,865)	(1,839)	(20,260)	(88,964)
Investment fees	--	(6,909)	(977)	--	(7,886)
Net gain (loss) on investments	\$ (12,794)	\$ 6,200	\$ (1,834)	\$ (20,260)	\$ (28,688)
	2014				
	Unrestricted	Unrestricted- Board designated	Temporarily restricted	Permanently restricted	Total
Interest and dividend income	\$ 5,582	\$ 16,035	\$ 9,582	\$ --	\$ 31,199
Realized gain on investments	--	66,933	8,284	--	75,197
Unrealized gain on investments	--	15,181	48	(21,541)	6,776
Investment fees	--	(6,586)	(940)	--	(7,526)
Net gain on investments	\$ 5,582	\$ 75,563	\$ 7,304	\$ (21,541)	\$ 67,908

NOTE 4 PROPERTY, IMPROVEMENTS AND EASEMENTS

During the year ended June 30, 2015, three parcels of land with permanent donor restrictions were purchased by ALF, including 2 acres of Dead Man's Hollow with a cost of \$36,411, 10 acres of Waterworks Greenway Phase I with a cost of \$289,694 and 58 acres of Sewickley Heights Park Expansion Project with a cost of \$1,023,371. During the year ended June 30, 2015, the Sewickley Heights Park Expansion Project property was then donated to the Borough of Sewickley Heights for conservation and park space.

During the year ended June 30, 2015, Fairhill Recreation Center, a nine-acre parcel of land with permanent donor restrictions was donated to ALF. The fair value of \$149,000, as of the date of the contribution, was recorded in the June 30, 2015 statement of activities and changes in net assets as permanently restricted contributions revenue. Additional costs incurred by ALF in acquiring the property totaling \$13,558 were capitalized.

During the year ended June 30, 2015, ALF sold the unrestricted Kendrick property. The sale resulted in a loss of \$18,475, which is recorded as a loss on sale of property in the June 30, 2015 statement of activities and changes in net assets.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 4 - PROPERTY, IMPROVEMENTS AND EASEMENTS (continued)

During the year ended June 30, 2014, ALE sold certain property in Pine Township. The sale resulted in a gain on sale of property of \$162,161 which is recorded in the June 30, 2014 statement of activities and changes in net assets.

Unrestricted property, improvements and easements as of June 30, are as follows:

Property	2015		2014	
	Acreage		Acreage	
Cadelli	12	\$ 60,615	12	\$ 60,615
More-on / Pineview Heights	29	39,089	29	39,089
Kendock	2	55,295	2	55,295
Total	<u>43</u>	<u>\$ 154,999</u>	<u>43</u>	<u>\$ 154,999</u>

There is no allowance for impairment on unrestricted property, improvements and easements as of June 30, 2015 and 2014.

Unrestricted Board designated property, improvements and easements as of June 30, 2015 and 2014 are as follows:

Property	2015		2014	
	Acreage		Acreage	
Barkin Slopes	84	\$ 158,249	84	\$ 158,249
Lower Run Slopes	16	127,000	16	127,000
Total	<u>100</u>	<u>\$ 285,249</u>	<u>100</u>	<u>\$ 285,249</u>

There is no allowance for impairment on Unrestricted Board designated property, improvements and easements as of June 30, 2015 and 2014.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 4 - PROPERTY, IMPROVEMENTS AND EASEMENTS (continued)

Permanently restricted property, improvements and easements are as follows as of June 30:

Property	2015		2014	
	Acres		Acres	
Ardubon Greenway	161	\$ 5,319,365	161	\$ 5,319,365
Venango Tracts	89	1,512,310	89	1,512,310
Wingfield Pines	82	1,251,038	82	1,251,038
Meadowview - Tracts	9	528,811	9	528,811
Meadowview Easement	1	-	1	-
Corn Hollow - Standish	36	513,000	36	513,000
Brown Run - Endway	23	117,108	24	117,108
Dead Man's Hollow	421	378,186	421	382,075
Dead Man's Hollow Easement	9	-	9	-
Waterworks Greenway Phase I	10	789,694	-	-
Sycamore Island	14	260,017	14	260,017
Barking Slopes	25	185,474	25	185,474
Fairhill Recreation Center	9	162,958	-	-
Marino Preserve	61	132,933	61	132,933
Murphy Property	8	91,062	8	91,062
Young Slopes - Link	16	81,500	16	81,500
Whetzel Preserve	212	40,374	212	40,374
Lander Farm Easement	101	-	101	-
Barnes Easement	22	-	22	-
Mossy Slopes Easement	14	-	14	-
Bradford Woods Easement	8	-	8	-
Zupac Easement	11	-	11	-
Cascado Easement	11	-	11	-
Lerie Easement	13	-	13	-
Total	1,129	\$ 10,910,160	1,188	\$ 10,431,432

An allowance for impairment on permanently restricted easements is \$862,500 as of June 30, 2015 and 2014. A loss on impairment on permanently restricted easements of \$385,000 was recognized during the year ended June 30, 2014. There is no allowance for impairment on permanently restricted property as of June 30, 2015 and 2014.

ALLEGHENY LAND TRUST
NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 5 - OPERATING LEASES

ALF leased office space under a non-cancelable operating lease that expired on April 30, 2014. ALF leased the office space on a month to month basis since expiration of the lease through June 30, 2015, effective June 18, 2015. ALF signed an operating lease for an office in Sewickley, Pennsylvania that commences on July 1, 2015 with an expiration date of June 30, 2020. Rent expense was \$32,577 and \$31,777 for the years ended June 30, 2015 and 2014, respectively.

Future minimum rentals under this non-cancelable lease are as follows as of June 30, 2015:

2016	\$ 36,966
2017	36,966
2018	37,966
2019	38,966
2020	39,966
	<u>\$ 190,830</u>

NOTE 6 - RETIREMENT SAVINGS PLAN

ALF maintains a retirement savings plan under Internal Revenue Code Section 403(b) for all full-time employees who have completed one year of service. ALF contributes an amount up to a maximum match of 3% of the qualified employee's compensation. ALF's contributions to the plan totaled \$3,883 and \$3,979 for the years ended June 30, 2015 and 2014, respectively.

NOTE 7 - CUSTODIAN FUNDS

ALF maintains various assets it does not own, and therefore records an offsetting liability. The custodian funds consist of deposit accounts held for other unincorporated organizations and are accordingly recorded as temporarily restricted amounts totaling \$12,056 and \$12,522 as of June 30, 2015 and 2014, respectively.

NOTE 8 - CONTINGENCY

ALF provides certain full-time employees with \$15,000 of life insurance through self-insured coverage. The maximum unrecorded liability as of June 30, 2015 and 2014 was \$60,000 and \$15,000, respectively.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS

(continued)

NOTE 9 - NET ASSETS

Temporarily restricted net assets of \$1,101,033 and \$481,695 as of June 30, 2015 and 2014, respectively, are restricted for committed land acquisitions, projects, and general and administrative purposes.

Over the years, several contributions were made to ALT by individuals and private organizations stipulating that contributed funds be used to create stewardship and operating endowment funds which consist of cash and investments.

The stewardship endowment was created by ALT to support the perpetual costs of maintaining land owned by ALT. This endowment can include both unrestricted Board designated funds and permanently restricted funds that serve two purposes. First, some of the income from the account may be used to pay for stewardship activities of ALT including annual monitoring, problem resolution, maintenance, property taxes and minor repairs. Second, the available principal of this endowment shall be reserved to pay for extraordinary expenses such as major capital improvements, major repairs and the legal defense of conservation easements and fee owned properties. Funds shall only be taken for this purpose from the unrestricted Board designated portion of this endowment through direct action of the Board of Directors. Income from permanently restricted contributions may only be used as restricted by the donors.

The John Hamm Endowment was created to support an internship dedicated to the monitoring and development of the Chartiers Creek Watershed.

The operating endowment can include unrestricted Board designated funds and permanently restricted funds used for the purpose of providing long-term general operating support for ALT. Income from this endowment fund can be used for expenses such as payroll, payments to vendors, programs, and other similar operating expenses.

The original contributions made, plus cumulative investment income, less cumulative amounts appropriated for distribution constitute the balance of ALT's endowment. The balance of ALT's endowment is restricted to support the following as of June 30.

	2015	2014
Stewardship endowment - unrestricted Board designated	\$ 891,893	\$ 885,888
Stewardship endowment - temporarily restricted	20,503	14,332
Stewardship endowment - permanently restricted	84,500	89,636
John Hamm endowment - permanently restricted	133,973	139,106
John Hamm endowment - temporarily restricted	23,442	11,459
Operating endowment - unrestricted Board designated	583,034	582,539
Operating endowment - permanently restricted	18,650	18,350
	<u>\$ 1,745,995</u>	<u>\$ 1,740,910</u>

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 9 - NET ASSETS (continued)

In accordance with Pennsylvania law, ALT's Board of Directors elected to be governed by a total return policy with respect to endowment income, including both capital appreciation and investment earnings. As such, ALT has adopted a policy seeking to achieve a reasonable long-term total return consistent with acceptable investment risk, and the preservation of capital. The policy prescribes diversified asset allocations for fixed income, equity, and cash equivalents. It also prescribes measures for performance evaluation.

Consistent with Pennsylvania law, ALT has also adopted a policy to appropriate distributions from endowments based on a spending policy. In accordance with the policy, ALT may appropriate from its endowment an annual amount up to 3% of the average fair value of the endowment for the previous three year period or the fair value on June 30, whichever is less. The spending rate can be adjusted by the Board of Directors as necessary. Appropriations were made in accordance with this policy during the year ended June 30, 2014 of \$3,000. No appropriations were made during the year ended June 30, 2015.

As prescribed by accounting principles generally accepted in the United States of America, ALT classifies the amount of original contributions designated for permanently restricted endowments as permanently restricted net assets. Investment income, gains and losses are classified as either temporarily restricted or unrestricted depending on whether donors stipulated the use of such amounts.

The following table represents endowment activity for the years ended June 30, 2015 and 2014.

	Unrestricted - Board designated	Temporarily restricted	Permanently restricted	Total
Balance, July 1, 2013	\$ 1,091,357	\$ 10,510	\$ 213,698	\$ 1,315,565
Additions:	253,334	731	11,750	265,815
Amounts appropriated for expenditure		(2,261)		(2,261)
Investment income	16,038	9,582	--	25,620
Realized gains	66,933	8,284		75,217
Unrealized gains	48,151	35	21,811	69,997
Investment fees	(6,586)	(660)		(7,246)
Balance, June 30, 2014	\$ 1,468,227	\$ 28,691	\$ 246,992	\$ 1,743,910
Additions:		410	400	810
Investment income	12,541	13,531	--	26,072
Realized gains	67,333	9,146		76,479
Unrealized losses	(65,865)	(3,859)	(20,269)	(89,993)
Investment fees	(6,909)	(977)		(7,886)
Balance, June 30, 2015	\$ 1,448,957	\$ 33,945	\$ 227,123	\$ 1,710,025

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 10 - DONATED SERVICES

Numerous volunteers donate significant amounts of time and perform a variety of tasks for ALT including property maintenance and administrative support. Although no amounts have been reflected in the financial statements because the criteria for recognition of such efforts under accounting principles generally accepted in the United States of America have not been satisfied, management estimates the fair value of these services to be approximately \$95,000 and \$127,000 for the years ended June 30, 2015 and 2014, respectively.

