

ALLEGHENY LAND TRUST
AUDITED FINANCIAL STATEMENTS
Years ended June 30, 2013 and 2012

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 of as of June 30, 2013 and 2012, 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 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 ALEF as of June 30, 2013 and 2012, 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.

Siskerson & Co., LLP

September 25, 2013

ALLEGHENY LAND TRUST
STATEMENT OF FINANCIAL POSITION

Year Ended June 30, 2015

	Unrestricted	Time restricted - Board Designated	Temporarily restricted	Permanently restricted	Total
ASSETS					
Cash and cash equivalents	\$ 105,070	\$ 318,503	\$ 995,280	\$ 50,000	\$ 1,468,853
Cash held in custody (Note 7)		-	10,767	-	10,767
Grants and other receivables	15,980	-	-	-	15,980
Investments (Notes 3 and 9)	-	755,007	10,510	161,133	921,650
Intangible assets	833	18351	-	-	19184
Prepaid expenses	1,549	-	-	-	1,549
Property, improvements and equipment (Note 1)	135,000	285,209	-	10,290,041	10,710,250
Land lease	-	-	-	85,741	85,741
Equipment, net of accumulated depreciation of \$30,148	4,634	-	-	-	4,634
Total assets	\$ 364,328	\$ 1,378,596	\$ 1,017,057	\$ 10,389,342	\$ 12,749,323
LIABILITIES AND NET ASSETS					
Accounts payable	\$ 11,257	\$ -	\$ -	\$ -	\$ 11,257
Other liabilities	75	-	-	-	75
Cash held in custody (Note 7)	-	-	10,767	-	10,767
Total liabilities	\$ 11,332	\$ -	\$ 10,767	\$ -	\$ 22,099
Net assets (Note 9)					
Endowment		1,091,357	10,510	713,698	1,815,565
Other	152,996	285,249	995,280	10,375,744	11,909,279
Total net assets	\$ 352,996	\$ 1,378,596	\$ 1,005,790	\$ 10,389,342	\$ 12,727,324
Total liabilities and net assets	\$ 364,328	\$ 1,378,596	\$ 1,017,057	\$ 10,389,342	\$ 12,749,323

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

ALCOHOLISM AND DRUG
STATEMENT OF FINANCIAL POSITION

Year ended June 30, 2017

	Our fiscal	Discontinued Bond De	Temporarily reclassified	Permanently reclassified	Total
ASSETS					
Cash and cash equivalents	\$ 460,362	\$ 372,233	\$ 172,971	\$ 16,923	\$ 1,022,489
Cash held as custodian (Note 7)	-	-	10,890	-	10,890
Grants and other receivables	5,700	-	55,000	-	60,700
Investments (Notes 3 and 9)	158	671,367	1,235	151,355	824,115
Intercurrent borrowings	842	(842)	-	-	-
Prepaid expenses	1,015	-	-	-	1,015
Property, improvements and easements (Note 3)	(40,715)	785,239	-	8,491,950	8,236,484
Land deprecia	-	-	-	51,800	51,800
Equipment, net of accumulated depreciation of \$78,590	5,477	-	-	-	5,477
Total assets	\$ 621,899	\$ 1,295,481	\$ 99,096	\$ 8,715,078	\$ 11,022,554
LIABILITIES AND NET ASSETS					
Accounts payable	\$ 73,182	\$ -	\$ -	\$ -	\$ 73,182
Other liabilities	12	-	-	-	12
Cash held as custodian (Note 7)	-	-	10,890	-	10,890
Total liabilities	\$ 73,194	\$ -	\$ 10,890	\$ -	\$ 84,084
Net assets (Note 9)					
Federal grant		1,010,542	5,545	108,528	1,124,615
Other	518,705	785,239	377,971	8,541,750	9,723,665
Total net assets	518,705	1,295,481	383,516	8,715,078	10,938,479
Total liabilities and net assets	\$ 621,899	\$ 1,295,481	\$ 99,096	\$ 8,715,078	\$ 11,022,554

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

ALLEGHENY LABOR TRUST

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2011

	Unrestricted	Restricted - Board Designated	Temporarily restricted	Permanently restricted	Total
Support and other receipts					
Contributions	\$ 113,591	\$ --	\$ 81,556	\$ 1,213,500	\$ 1,408,647
Grants	33,617	--	811,417	--	845,034
Fundraising event	14,427	--	--	--	14,427
Net gain on sale of fixed assets	2,185	88,721	8,647	11,983	111,536
Other income	1,612	--	5,011	--	6,623
Transfers	263,498	--	(311,349)	50,851	--
Total support and other receipts	187,923	88,721	625,084	1,276,344	2,178,072
Expenditures and losses					
Program services	437,470	--	--	--	437,470
Fundraising	110,254	--	--	--	110,254
General and administrative	130,265	5,606	--	--	135,871
Total expenditures and losses	677,989	5,606	--	--	683,595
Increase (decrease) in net assets	(295,769)	83,115	625,084	1,276,344	2,788,884
Net assets at beginning of year	548,705	1,295,181	81,306	3,213,078	10,938,470
Net assets at end of year	\$ 252,936	\$ 1,378,296	\$ 1,006,390	\$ 10,389,422	\$ 13,227,324

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

ALLEGHENY AND CRANE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2017

	Donor-stocked	Donor-stocked - Board Designated	Temporarily restricted	Permanently restricted	Total
Support and other revenue					
Contributions	\$ 177,488	\$	\$ 556,583	\$ 11,940	\$ 692,003
Grants	281,892		446,315	--	718,207
Fundraising event	28,737	--	--	--	28,737
Net gain (loss) on investments (Note 10)	1,095	8,011	5,807	(7,960)	7,808
Consulting revenue	16,530	--	--	--	16,530
Other income	22,665	--	1,298	--	23,963
Transfers	145,140	419,137	(1,067,051)	597,197	--
Total support and other revenue	677,587	427,137	(251,960)	601,867	1,505,316
Expenditures and losses					
Program services	617,917	--	--	--	617,917
Fundraising	104,143	--	--	--	104,143
Legal and administrative	128,377	5,128	--	--	133,505
Loss on sale of property	7,718	--	--	--	7,718
Total expenditures and losses	858,155	5,128	--	--	863,283
Increase (decrease) in net assets	(178,920)	322,355	(451,869)	601,867	646,123
Net assets at beginning of year	774,633	971,176	433,172	8,111,216	10,290,197
Net assets at end of year	\$ 595,713	\$ 1,293,531	\$ 433,172	\$ 8,713,083	\$ 10,935,470

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

ALLEGHENY LAND TRUST

STATEMENT OF CASH FLOWS

Year ended June 30, 2011

	Unrestricted	Unrestricted Restricted	Temporarily restricted	Permanently restricted	Total
Cash flows from operating activities:					
Increase (decrease) in net assets	\$ (195,709)	\$ 84,115	\$ 675,081	\$ 1,776,364	\$ 2,288,851
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:					
Depreciation	1,558	--	--	--	1,558
Net realized and unrealized loss (gain) on investments	138	(75,081)	(5,136)	(11,985)	(90,064)
Permanently restricted contributions	--	--	--	(16,414)	(16,414)
Contributed property (Note 4)	(94,794)	--	--	(1,697,081)	(1,791,875)
Increase (decrease) in cash from changes in:					
Grants and other receivables	(11,500)	--	55,000	--	43,500
Prepaid expenses and other assets	156	--	--	--	156
Accounts payable	(61,925)	--	--	--	(61,925)
Other liabilities	61	--	--	--	61
Net cash provided by (used in) operating activities	(361,511)	8,034	676,946	50,851	374,315
Cash flows from investing activities:					
Purchases of equipment	(1,720)	--	--	--	(1,720)
Land disposal	--	--	--	(33,913)	(33,913)
Interfund borrowings	3	(4)	--	--	(1)
Proceeds from sale of investments	--	110,916	14,164	--	125,080
Purchases of investments	--	(117,692)	(18,311)	--	(135,943)
Net cash used by investing activities	(2,716)	(6,780)	(4,147)	(33,913)	(47,556)
Cash flows from financing activities:					
Permanently restricted contribution:	--	--	--	16,414	16,414
Net increase (decrease) in cash and cash equivalents	(364,227)	1,254	672,809	17,938	343,518
Cash and cash equivalents, beginning of year	469,101	157,277	(22,971)	(16,971)	489,468
Cash and cash equivalents, end of year	\$ 104,874	\$ 158,531	\$ 998,280	\$ 50,000	\$ 1,489,116

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

ALLEGHENY LAND TRUST
STATEMENT OF CASH FLOWS

Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Temporarily Restricted	Permanently restricted	Total
Cash flows from operating activities:					
Increase (decrease) in receivables	\$ 1,250,930	\$ 112,155	\$ (81,966)	\$ 681,119	\$ 616,338
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:					
Depreciation	1,111	--	-	-	1,111
Loss on sale of property	7,178	-	-	-	7,178
Realized and unrealized gains (losses) on investments	-	9,998	(395)	7,600	16,553
Permanently restricted contributions	-	-	-	(11,910)	(11,910)
Contributed property (Note 4)	(80,619)	-	-	-	(80,619)
Increase (decrease) in cash from changes in:					
Grants and other receivables	12,050	-	26,000	-	38,050
Prepaid expenses and other assets	2,130	-	-	-	2,130
Accounts payable	50,379	-	-	-	50,379
Other liabilities	-	-	(20,810)	-	(20,810)
Net cash provided by (used in) operating activities	(202,201)	332,353	(53,320)	597,192	666,124
Cash flows from investing activities:					
Purchases of property and improvements	(12,774)	-	-	(538,811)	(551,585)
Land deposit	-	-	-	(51,800)	(51,800)
Proceeds from sale of property and improvements	480,000	-	-	-	480,000
Interfund borrowings	950	(950)	-	-	-
Proceeds from sale of investments	-	255,815	-	31,104	287,119
Purchases of investments	(0)	(250,026)	(2,510)	(45,912)	(298,448)
Net cash provided by (used in) investing activities	467,176	1,869	(2,510)	(594,729)	(251,224)
Cash flows from financing activities:					
Permanently restricted contributions	-	-	-	11,910	11,910
Net increase (decrease) in cash and cash equivalents	328,151	337,122	(56,050)	11,393	614,616
Cash and cash equivalents, beginning of year	610,837	-	179,021	2,580	792,438
Cash and cash equivalents, end of year	\$ 938,988	\$ 377,122	\$ 122,971	\$ 16,973	\$ 1,446,054

The accompanying notes are an integral part of the 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 and ALT is one of only 230 that are accredited. Accreditation runs through December 14, 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 that were not specifically donated or purchased with the stipulation they would be held for conservation (see Note 3). 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 2 - 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 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 employment 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. Included in permanently restricted net assets are easements which generally grant ALT the development and timber rights on certain properties.

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 approximate their cost. The fair value of equity funds and common stocks are 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 cost 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 years ended June 30, 2013 and 2012, one grantor and two grantors provided approximately 17% and 28%, respectively, of total support and other revenue. There were no outstanding grants receivable as of June 30, 2013 and 2012 due from these grantors.

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:

	2013	2012
Program services	\$ 232,351	\$ 249,004
Fundraising	96,995	87,718
General and administrative	47,490	24,552
	\$ 376,836	\$ 361,274

Consulting revenue

ALT provides consulting services to various entities seeking land conservation expertise. Consulting revenue and accounts receivable are recorded periodically over time as services are provided.

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 \$648,500 and \$244,000 were pledged to ALF as of June 30, 2013 and 2012, respectively and are not reflected in the statements of activities and changes in net assets as the conditions upon which they are to be received have not yet been satisfied. ALF considers all grants receivable to be fully collectible as of June 30, 2013, and all are due to be collected by June 30, 2014.

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. All property and improvements are measured at fair value on a nonrecurring basis; that is, property and improvements are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances such as when there is evidence of 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.

ALF 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 ALF. Easements can be gifted to ALF by a third party, purchased by ALF, or retained by ALF if land once held in fee by ALF is sold or gifted to a third party. Although conservation easements are real property rights, they possess no market value to ALF. The acreage of ALF's easements as of June 30, 2013 and 2012 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

ALT 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 25, 2013, the date on which the financial statements were available to be issued.

Taxes

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

The Financial Accounting Standards Board Accounting Standards Codification on Income Taxes clarifies recognition, measurement, presentation and disclosure relating to uncertain tax positions. ALT 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, 2013 and 2012, ALT is unaware of any uncertain tax positions. ALT's federal income tax and excise tax returns for tax years 2010 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 income and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the June 30, 2012 financial statements have been reclassified for comparative purposes to conform to the presentation in the June 30, 2013 financial statements.

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. ALT's investments are entirely composed of Level I investments as of June 30, 2013 and 2012.

Level II - Pricing inputs are other than quoted market prices included in Level I, however, are observable indirectly for the investment. ALT was not invested in any Level II investments as of June 30, 2013 or 2012.

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. Investments in this category generally include limited partnership interests. ALT was not invested in any Level III investments as of June 30, 2013 or 2012.

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

	2013		2012	
	Fair Value	Cost	Fair value	Cost
Short term investments	\$ 2,202	\$ 2,202	\$ 11,112	\$ 11,112
Equity funds and common stocks	538,968	481,505	512,791	485,000
Fixed income	368,315	368,032	304,689	296,747
	<u>\$ 929,515</u>	<u>\$ 851,739</u>	<u>\$ 828,595</u>	<u>\$ 793,259</u>

Investments in two equity funds and one fixed income fund account for approximately 39% of ALT's investments as of June 30, 2013. Investments in one equity fund and one fixed income fund account for approximately 26% of ALT's investments as of June 30, 2012.

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:

	2013				Total
	Unrestricted	Unrestricted- Board Designated	Temporarily restricted	Permanently restricted	
Interest and dividend income	\$ 3,333	\$ 13,637	\$ 8,509	\$ --	\$ 25,489
Realized gain on investments	--	44,134	3,118	--	47,252
Unrealized gain (loss) on investments	(1,485)	30,660	--	11,983	41,158
Net gain on investments	\$ <u>2,183</u>	\$ <u>88,431</u>	\$ <u>8,647</u>	\$ <u>11,983</u>	\$ <u>111,244</u>
	2012				
	Unrestricted	Unrestricted- Board Designated	Temporarily restricted	Permanently restricted	Total
Interest and dividend income	\$ 1,095	\$ 18,009	\$ 5,287	\$ --	\$ 24,391
Realized gain on investments	--	13,261	703	--	13,964
Unrealized gain (loss) on investments	--	(73,259)	--	(7,360)	(80,619)
Net gain (loss) on investments	\$ <u>1,095</u>	\$ <u>8,011</u>	\$ <u>5,990</u>	\$ <u>(7,360)</u>	\$ <u>7,808</u>

NOTE 4 - PROPERTY, IMPROVEMENTS AND EASEMENTS

During the year ended June 30, 2013, two parcels of land with permanent donor restrictions were donated to ALF, including Venango Trails (\$1,342,310) and Metcalf (\$354,771). The fair value as of the date of the contributions were recorded in the June 30, 2013 statement of activities and changes in net assets as permanently restricted contributions revenue.

During the year ended June 30, 2013, two parcels of land were donated to ALF absent donor restrictions, including Kendrick (\$55,205) and Morton (\$39,089). The fair value as of the date of the contributions were recorded in the June 30, 2013 statement of activities and changes in net assets as unrestricted contributions revenue.

During the year ended June 30, 2012, a donor contributed one parcel of land (Castelli) to ALF. Its fair value at the date of contribution was \$60,615, which was recorded in the June 30, 2013 statement of activities and changes in net assets as unrestricted contributions revenue.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 4 - PROPERTY, IMPROVEMENTS AND EASEMENTS (continued)

Unrestricted property, improvements and easements, net of an allowance for impairment, at June 30, are as follows:

Property	2013		2012	
	Acreage		Acreage	
Pine Township	2	\$ 80,130	2	\$ 80,130
Castelli	12	60,615	12	60,615
Kendrick	2	55,205	-	-
Morton / Pineview Heights	29	39,089	-	-
Total	<u>45</u>	<u>\$ 235,039</u>	<u>14</u>	<u>\$ 140,745</u>

An allowance for impairment loss on the Pine Township property of \$264,880 has been recorded as of June 30, 2013 and 2012. No impairment loss was recognized during 2013 or 2012.

Unrestricted Board designated property, improvements and easements at June 30, 2013 and 2012 are as follows:

Property	Acreage	
Harking Slopes	84	\$ 158,239
Lowries Run Slopes	16	127,000
Total	<u>100</u>	<u>\$ 285,239</u>

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	2013		2012	
	Acreage		Acreage	
Audubon Greenway	113	\$ 4,591,971	103	\$ 4,237,150
Yenango Trails	89	1,342,310	--	--
Wingfield Pines	87	1,231,038	87	1,231,038
Meadowview - Barry	9	578,841	9	578,841
Meadowview Easement	1	--	1	--
Fern Hollow - Standish	36	514,000	36	514,000
Lander Farm Easement	164	467,000	164	467,000
Iron Run - Ludwig	73	447,408	73	447,408
Dead Man's Hollow	421	352,075	421	352,075
Dead Man's Hollow Easement	9	--	9	--
Sycamore Island	14	260,017	14	260,017
Barking Slopes	75	185,474	75	185,474
Marino Preserve	61	137,973	61	137,973
Young Slopes - Funk	16	81,400	16	81,400
Whetzel Preserve	212	40,374	212	40,374
Mosaic Slopes Easement	14	10,500	14	10,500
Burford Woods Easement	5	--	5	--
Zupic Easement	11	--	11	--
Cocchino Easement	11	--	11	--
Ferie Easement	14	--	14	--
Total	<u>1,375</u>	<u>\$ 10,190,031</u>	<u>1,276</u>	<u>\$ 8,492,950</u>

There is no allowance for impairment on permanently restricted property as of June 30, 2013 and 2012.

NOTE 5 - OPERATING LEASES

ALT leases office space under a non-cancelable operating lease that expires on April 30, 2014. Future minimum lease payments due under this lease are \$21,975 for the year ending June 30, 2014.

ALT's rent expense for the years ended June 30, 2013 and 2012 was \$33,377 and \$31,274, respectively.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 6 - RETIREMENT SAVINGS PLANS

ALT maintains a retirement savings plan under Internal Revenue Code Section 403(b) for all full-time employees who have completed one year of service. ALT contributes an amount up to a maximum match of 3% of the qualified employee's compensation. ALT's contributions to the plan totaled \$3,900 and \$6,459 for the years ended June 30, 2013 and 2012, respectively.

NOTE 7 - CUSTODIAN FUNDS

ALT 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 \$10,767 and \$10,890 as of June 30, 2013 and 2012, respectively.

NOTE 8 - CONTINGENCY

ALT provides certain full-time employees with \$15,000 of life insurance through self-insured coverage. The maximum unrecorded liability as of June 30, 2013 and 2012 was \$30,000 and \$15,000, respectively.

NOTE 9 - NET ASSETS

Temporarily restricted net assets of \$1,006,290 and \$381,206 as of June 30, 2013 and 2012, respectively, are restricted for committed fund 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. Permanently restricted contributions and income thereon may only be used as restricted by the donors.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 9 - NET ASSETS (continued)

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 the organization. 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 endowments. The balance of ALT's endowments is restricted to support the following at June 30:

	2013	2012
Stewardship endowment - unrestricted Board Designated	\$ 754,854	\$ 673,020
Stewardship endowment - temporarily restricted	6,887	1,201
Stewardship endowment - permanently restricted	74,500	41,811
John Hamm endowment - permanently restricted	121,698	110,017
John Hamm endowment - temporarily restricted	3,653	2,034
Operating endowment - unrestricted Board Designated	338,503	337,222
Operating endowment - permanently restricted	17,500	16,500
	<u>\$ 1,317,565</u>	<u>\$ 1,181,805</u>

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 endowments an annual amount up to 3% of average fair value of endowments for the previous three-year period or the 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 years ended June 30, 2013 and 2012 of \$20,500 and \$3,000, respectively.

ALLEGHENY LAND TRUST
NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 9 - NET ASSETS (continued)

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. Proceeds from the sale of unrestricted Board Designated property and improvements and investments originally acquired using unrestricted funds for stewardship purposes are classified as endowment contributions and included in contributions in the statements of activities and changes in net assets.

The following table represents endowment activity for the years ended June 30, 2013 and 2012:

	Unrestricted Board Designated	Temporarily restricted	Permanently restricted	Total
Balance, July 1, 2011	\$ 687,887	\$ 273	\$ 147,107	\$ 835,267
Additions	337,222	-	28,481	365,703
Amounts appropriated for expenditure	(17,500)	(3,000)	-	(20,500)
Investment income	18,009	5,257	-	23,266
Realized gains	13,261	705	-	13,966
Unrealized losses	(23,359)	-	(7,200)	(30,559)
Investment fees	(5,378)	-	-	(5,378)
Balance, June 30, 2012	\$ 1,010,242	\$ 3,238	\$ 168,328	\$ 1,181,808
Additions	-	1,628	33,387	35,015
Amounts appropriated for expenditure	-	(3,000)	-	(3,000)
Investment income	13,647	5,509	-	19,146
Realized gains	44,424	3,338	-	47,762
Unrealized gains	50,660	-	11,983	62,643
Investment fees	(5,006)	-	-	(5,006)
Balance, June 30, 2013	\$ 1,093,357	\$ 10,510	\$ 213,698	\$ 1,317,565

NOTE 10 - RELATED PARTY TRANSACTIONS

During the year ended June 30, 2013, ALT purchased consulting services from a business owned by an individual who was a member of management through September 30, 2012. The payments totaled approximately \$23,000 during the time of the related party relationship.

During the year ended June 30, 2012, ALT purchased consulting services from a business owned by a member of management totaling \$40,600. ALT had amounts payable to this business as of June 30, 2012 of approximately \$7,600.

ALLEGHENY LAND TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 11 - DONATED SERVICES

Numerous volunteers donate significant amounts of time and perform a variety of tasks for ALI, 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 those services to be approximately \$105,000 for the year ended June 30, 2013.

