

# SEMPERVIRENS FUND

JUNE 30, 2009

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INDEPENDENT AUDITORS' REPORT,  
FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

# Sempervirens Fund

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## Independent Auditors' Report

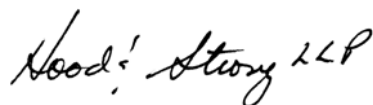
BOARD OF DIRECTORS  
SEMPERVIRENS FUND  
Los Altos, California

We have audited the accompanying statement of financial position of *Sempervirens Fund (the Fund)* as of June 30, 2009 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Fund's fiscal year ended June 30, 2008 financial statements, and in our report dated September 18, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sempervirens Fund as of June 30, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The information contained in the Schedule of Land Holdings is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



October 20, 2009

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# Sempervirens Fund

## Statement of Financial Position

<i>June 30,</i>	2009	2008
<b>Assets</b>		
Cash and cash equivalents	\$ 10,346,279	\$ 6,150,511
Grant receivable	100,000	
Notes receivable	323,849	323,849
Conservation land and easement holdings	12,552,904	12,937,404
Land subject to life estate, net	466,599	415,722
Charitable remainder trusts, net	394,677	435,595
Property and equipment, net	22,177	26,208
Other assets	95,186	138,154
<b>Total assets</b>	<b>\$ 24,301,671</b>	<b>\$ 20,427,443</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities:</b>		
Accrued payroll and other liabilities	\$ 96,535	\$ 242,817
Accrued retirement	50,726	52,576
Note payable	39,920	62,800
<b>Total liabilities</b>	<b>187,181</b>	<b>358,193</b>
<b>Net Assets:</b>		
Unrestricted:		
Board-designated land reserve fund	1,904,205	1,604,966
Undesignated	20,950,640	17,313,510
<b>Total unrestricted</b>	<b>22,854,845</b>	<b>18,918,476</b>
Temporarily restricted	1,073,189	964,318
Permanently restricted	186,456	186,456
<b>Total net assets</b>	<b>24,114,490</b>	<b>20,069,250</b>
<b>Total liabilities and net assets</b>	<b>\$ 24,301,671</b>	<b>\$ 20,427,443</b>

The accompanying notes are an integral part of this statement. 2

# Sempervirens Fund

## Statement of Activities

Year Ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)

	2009				2008 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
<b>Revenues:</b>					
Bequests	\$ 4,924,281			\$ 4,924,281	\$ 146,837
Contributions and grants	712,180	\$ 614,171		1,326,351	1,846,535
Investment income	128,174	6,952		135,126	259,316
Net change in value of charitable remainder trusts and life estate		9,959		9,959	107,195
Other income	3,421			3,421	53,329
Purchase funds from public agencies					837,500
Noncash donations					1,894
Net assets released from restrictions	522,211	(522,211)			
<b>Total revenue</b>	<b>6,290,267</b>	<b>108,871</b>		<b>6,399,138</b>	<b>3,252,606</b>
<b>Operating Expenses:</b>					
Programs:					
Land	1,252,839			1,252,839	2,532,409
Trees	218,342			218,342	83,904
Community services	40,328			40,328	88,014
<b>Total program expenses</b>	<b>1,511,509</b>			<b>1,511,509</b>	<b>2,704,327</b>
Support services:					
General and administrative	519,719			519,719	475,723
Fundraising	322,670			322,670	513,749
<b>Total support services</b>	<b>842,389</b>			<b>842,389</b>	<b>989,472</b>
<b>Total expenses</b>	<b>2,353,898</b>			<b>2,353,898</b>	<b>3,693,799</b>
<b>Change in Net Assets</b>	<b>3,936,369</b>	<b>108,871</b>		<b>4,045,240</b>	<b>(441,193)</b>
<b>Net Assets - beginning of year</b>	<b>18,918,476</b>	<b>964,318</b>	<b>\$ 186,456</b>	<b>20,069,250</b>	<b>20,510,443</b>
<b>Net Assets - end of year</b>	<b>\$ 22,854,845</b>	<b>\$ 1,073,189</b>	<b>\$ 186,456</b>	<b>\$ 24,114,490</b>	<b>\$ 20,069,250</b>

**Sempervirens Fund**

**Statement of Functional Expenses**

*Year Ended June 30, 2009 (with comparative totals for the year ended June 30, 2008)*

	Program Services				Support Services			2009 Total	2008 Total
	Land	Trees	Community Services	Total Program Services	General and Administrative	Fundraising	Total Support Services		
Salaries and related expenses	\$ 111,864	\$ 11,127	\$ 23,999	\$ 146,990	\$ 266,689	\$ 81,827	\$ 348,516	\$ 495,506	\$ 647,588
Staff training	3,162	152	327	3,641	3,686	1,267	4,953	8,594	10,529
Land expense and appraisals	367,405			367,405				367,405	309,754
Contract services		114,619		114,619	17,911	2,988	20,899	135,518	84,229
Other outside services	9,656	2,066		11,722		32,115	32,115	43,837	65,762
General office expenses	23,067	1,788	2,068	26,923	48,177	12,214	60,391	87,314	73,452
Rent	14,173	1,410	3,041	18,624	34,225	10,367	44,592	63,216	68,016
Printing, artwork and graphics	47	671	10	728	3,679	66,712	70,391	71,119	81,423
Grants and aids	25,000			25,000				25,000	30,000
Retirement expense (see Note 7)	2,836	282	609	3,727	16,999	2,075	19,074	22,801	36,940
Legal and accounting	1,858	2	4	1,864	83,396	13	83,409	85,273	87,827
Postage	1,869	222	375	2,466	4,232	79,613	83,845	86,311	80,284
Insurance	8,588	854	1,843	11,285	20,739	6,282	27,021	38,306	12,300
Special events			5,949	5,949		19,050	19,050	24,999	25,274
Travel and meetings	7,130	983	787	8,900	5,178	3,106	8,284	17,184	14,650
Telephone	1,763	120	260	2,143	2,923	1,442	4,365	6,508	4,039
Repairs and maintenance	183	18	39	240	443	134	577	817	1,303
Utilities	838	83	180	1,101	2,024	612	2,636	3,737	3,821
Planting trees		83,557		83,557				83,557	
Adjustments to land value	669,500			669,500				669,500	1,152,500
Land value and assets pledged or transferred to public agencies									883,875
<b>Total expenses before depreciation</b>	<b>1,248,939</b>	<b>217,954</b>	<b>39,491</b>	<b>1,506,384</b>	<b>510,301</b>	<b>319,817</b>	<b>830,118</b>	<b>2,336,502</b>	<b>3,673,566</b>
<b>Depreciation</b>	<b>3,900</b>	<b>388</b>	<b>837</b>	<b>5,125</b>	<b>9,418</b>	<b>2,853</b>	<b>12,271</b>	<b>17,396</b>	<b>20,233</b>
<b>Total expenses</b>	<b>\$ 1,252,839</b>	<b>\$ 218,342</b>	<b>\$ 40,328</b>	<b>\$ 1,511,509</b>	<b>\$ 519,719</b>	<b>\$ 322,670</b>	<b>\$ 842,389</b>	<b>\$ 2,353,898</b>	<b>\$ 3,693,799</b>

The accompanying notes are an integral part of this statement.

# Sempervirens Fund

## Statement of Cash Flows

<i>Years Ended June 30,</i>	2009	2008
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 4,045,240	\$ (441,193)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,396	20,233
Loss on disposal of property and equipment		42,374
Net change in charitable remainder trusts	40,918	(29,205)
Net change in land with life estate	(50,877)	(77,990)
Land value and assets pledged or transferred to public agencies		837,500
Purchase of land	(285,000)	(691,652)
Reduction in carrying value of land	669,500	1,152,500
Change in operating assets and liabilities:		
Other assets	(57,032)	(24,198)
Accrued payroll, retirement and other liabilities	(148,132)	154,543
<b>Net cash provided by operating activities</b>	<b>4,232,013</b>	<b>942,912</b>
<b>Cash Flows from Investing Activities:</b>		
Issuance of note receivable		(13,849)
Purchase of equipment	(13,365)	
<b>Net cash used by investing activities</b>	<b>(13,365)</b>	<b>(13,849)</b>
<b>Cash Flows from Financing Activities:</b>		
(Repayment of) proceeds from note payable	(22,880)	62,800
<b>Net cash (used) provided by financing activities</b>	<b>(22,880)</b>	<b>62,800</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>4,195,768</b>	<b>991,863</b>
<b>Cash and Cash Equivalents - beginning of year</b>	<b>6,150,511</b>	<b>5,158,648</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>\$ 10,346,279</b>	<b>\$ 6,150,511</b>

### Supplemental Information:

No payments for interest or income taxes were made during 2009 or 2008.

# Sempervirens Fund

## Notes to Financial Statements

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### Note 1 - Nature of Organization:

Sempervirens Fund (the Fund) is a California nonprofit land conservation organization established to preserve and protect the natural character of California's Santa Cruz Mountains and to encourage appropriate public enjoyment of this environment. Historically, its primary activity is the acquisition of land that is then transferred to public agencies, in particular to expand Big Basin Redwoods, Castle Rock and Butano State Parks. The Fund also reforests damaged areas, assists in building and maintaining trails and primitive camps, and dedicates grove sites and standing trees.

The Fund has typically acquired title to land through direct fee-simple purchases. However, the Fund has also adopted alternative strategies, including conservation easements and land purchase assistance, whereby the Fund foregoes title, but still adheres to its mission of protecting precious coastal redwood land. The Fund's easement purchases are strategic in nature and provide the Fund with certain rights, such as trail access linking park boundaries or the prevention of future timber harvesting on privately held parcels of land. Land purchase assistance occurs when the Fund provides cash or other assets to other entities involved in land conservation in joint venture agreements. The Fund's participation appears as a direct expense within land programs expenses.

In instances where the Fund acquires title to property within or adjacent to park boundaries, the Fund generally holds the land for a period of time pending formal approval from the State for funding.

### Note 2 - Summary of Significant Accounting Policies:

#### a. Basis of Accounting

The Fund maintains its books and records on the accrual basis of accounting.

#### b. Description of Net Assets

Unrestricted net assets are the portion of net assets that are neither temporarily nor permanently restricted by donor-imposed stipulations. During fiscal years 2005 and 2007 the Board designated a total of \$6,153,000 of unrestricted funds to establish a Land Reserve Fund (LRF) to be used for the acquisition of unspecified properties in the stated service area of the Fund. As of June 30, 2009 \$4,248,795 of the LRF had been used for six acquisitions and \$1,904,205 remained available for other acquisitions.

Temporarily restricted net assets, as described in Note 11, are the portion of net assets for which use by the Fund is limited by donor-imposed restrictions that either expire by passage of time or can be fulfilled and removed by certain actions of the Fund.

# Sempervirens Fund

## Notes to Financial Statements

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Permanently restricted net assets, as described in Note 12, are the portion of net assets for which use by the Fund is limited by donor-imposed stipulations that neither expire by passage of time nor can otherwise be removed by actions of the Fund.

c. Land and Land Transactions

Land is held for resale or transfer to public agencies and is recorded at the lower of cost or fair market value except when acquired at less than appraised value in a bargain purchase. When fair market value is greater than consideration paid by the Fund, a contribution is recorded from the seller to the Fund for the difference. The Fund performs periodic assessments of land carrying value and records any decreases in value as necessary. Any such decreases are recorded as program expenses on the Statement of Activities as adjustments to land value.

In years when land is conveyed to a public agency and an updated appraisal, obtained for sale purposes, is higher than the carrying value, the Fund will record the increase in value as an adjustment to land value and record any difference between consideration received from the agency and the revised value as a contribution of land value to the agency. During fiscal 2009, a more current appraisal was received covering land acquired during fiscal 2007. The appraisal reduced the value of the land from \$4,547,500 to \$3,878,000 and the downward change of \$669,500 was included in program expenses as an adjustment to land value received. This land is further discussed in Note 13.

d. Land with Life Estate

Land with life estate is recorded at the lower of cost or market value, less a discount to present value (see also Note 4).

e. Charitable Remainder Trusts

Charitable remainder trusts are recorded at the fair value of their assets, less a discount to present value (see also Note 5).

f. Property and Equipment

Property and equipment consist of leasehold improvements, office furniture and equipment which are recorded at cost, if purchased or at fair market value on the date of donation, if donated.

The Fund computes depreciation for office furniture and equipment using the straight-line method over estimated useful lives, ranging from 3 to 10 years. Leasehold improvements are amortized over the lease term.

# Sempervirens Fund

## Notes to Financial Statements

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g. Revenue Recognition

Unconditional promises to give to the Fund are recorded as revenue at their fair value when the promise is made. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support based on whether they include donor stipulations that limit the use of the contributions. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Receivables for State matching funds are not recorded in the Fund's financial statements until formal approval is received from the State. This approval establishes the amount of the receivable and the certainty of collection.

Bequests are recorded as receivables when the collection of the bequest becomes certain.

h. Donated Services

During fiscal year 2009, volunteers contributed 492 hours of their time to the Fund, primarily for the building and maintenance of trails and the restoration program in the Santa Cruz Mountains State Parks. The value of this contributed time is not reflected in the financial statements.

i. Functional Allocation of Expenses

Costs that are directly attributed to a program are charged to that program. Other costs and support services are allocated to programs, fundraising, general and administrative services based on the amount of time spent on the programs or support services by the Fund's employees.

j. Income Taxes

The Fund is a nonprofit public charity organization and is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. The Fund has also been determined to not be a private foundation by the Internal Revenue Service.

k. Statement of Cash Flows

For purposes of the Statement of Cash Flows, demand deposits and money market funds are considered to be cash equivalents.

# Sempervirens Fund

## Notes to Financial Statements

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l. Estimates Included in the Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

m. Prior Year Information

The financial information shown for the year ended June 30, 2008 is included to provide a basis for comparison and presents summarized totals only. The information is not intended to include all information necessary for a fair presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Fund's financial statements for the year ended June 30, 2008 from which the summarized information was derived.

n. Reclassification

Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications have no effect on net assets or changes in net assets.

o. Fair Value Measurements:

The Fund adopted Statement of Financial Accounting Standards No. 157 (SFAS No. 157) at the beginning of the 2009 fiscal year. SFAS No. 157 applies to all financial assets and liabilities that are being measured and reported on a fair value basis and requires such assets and liabilities to be classified and disclosed in one of the following three categories to enable readers of the financial statements to assess the inputs used to develop those measurements:

Level 1 Quoted market prices unadjusted in active markets for identical assets or liabilities.

Level 2 Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Fund performs an analysis of the assets and liabilities that are subject to SFAS No. 157.

# Sempervirens Fund

## Notes to Financial Statements

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p. New accounting pronouncements

In June 2006, Financial Accounting Standards Board (FASB) issued Financial Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* – an interpretation of FASB Statement No. 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity’s financial statements and provides guidance on the recognition, de-recognition and measurement of benefits related to an entity’s uncertain tax position. In December 2008, a FASB Staff Position deferred the effective date for exempt organizations permitting adoption for years beginning after December 15, 2008. The Fund has elected to defer the application of FIN 48. The Fund presently recognizes income tax positions based on management’s estimate of whether it is reasonably possible that a liability has been incurred. Management does not expect that the adoption of FIN 48 will have an effect on its financial statements.

**Note 3 - Note Receivable:**

The Fund issued a note receivable on October 21, 2002 in connection with the sale of land for \$320,000. Interest accrues at the rate of 7% per annum. Interest only payments are due the first of the month and the principal was due on November 1, 2007 at which time it was extended an additional five years with principal due on November 1, 2012. In the year ended June 30, 2009, there were no principal payments received. The balance of the note at June 30, 2009 was \$310,000.

The Fund has also loaned a potential land donor \$13,849 to bring delinquent property taxes current. The loan is secured by the land.

**Note 4 - Land Subject to Life Estate:**

Land subject to life estate is a land purchase which is encumbered by the seller’s right to remain on a portion of the land for the seller’s lifetime.

At June 30, 2009, the land subject to life estate account consists of the following:

Land subject to life estate	\$ 615,000
Less the present value discount at the applicable federal rate of 2.8% to record at fair market value	( 148,401)
<hr/>	
Land subject to life estate, net	<hr/> \$ 466,599

# Sempervirens Fund

## Notes to Financial Statements

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### Note 5 - Charitable Remainder Trusts:

The Fund is the beneficiary of certain irrevocable charitable remainder trusts. The Fund will not have the use of these assets until the remainder benefits are realized. Under the terms of these remainder trusts, the donors receive annuities out of the trust assets. The Fund has determined that the liability related to beneficiary interests is equivalent to the principal and income growth of the trust assets and is not recorded in the financial statements. The Fund has determined the fair market value of these trusts assets, which consist wholly of marketable securities and/or tradable mutual funds, by using quoted prices for identical assets in active markets and applying an appropriate present value discount. Thus the trusts values are based on what SFAS No. 157 deems to be level 2 inputs, as discussed in Note 2o.

At June 30, 2009, the value of these assets is as follows:

Charitable remainder trusts, at fair market value	\$ 496,331
Less the present value discount at the applicable federal rate of 2.8% to record at fair market value	( 101,654)
<hr/> Charitable remainder trusts, net	<hr/> \$ 394,677

### Note 6 - Other Assets:

Included in other assets is a portfolio of artwork, at its original appraised value of \$75,000 and other miscellaneous assets.

### Note 7 - Retirement Plans:

The Fund has a retirement income account plan for its employees. The Fund makes contributions on an annual basis of 6% of each participant's base salary for the previous calendar year. The contributions to the plan amounted to \$12,651 for fiscal 2009.

Additionally, the Fund provides retirement benefits for a former executive director's surviving spouse. The present value of the accrued retirement liability at the applicable federal rate of 2.8% at June 30, 2009 was \$50,726.

# Sempervirens Fund

## Notes to Financial Statements

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### **Note 8 - Note Payable:**

During fiscal year 2008, the Fund received an unsecured, no-interest loan from a Director, in the amount of \$62,800, to be used to assist in covering expenses to be incurred related to an assessment of the commercial fair market value of Verifiable Emission Reduction (VER) units, commonly referred to as carbon credits, on certain land and conservation easements owned by the Fund and for pursuing the qualification process needed to become a seller of such units. The note has a maturity date of July 12, 2012 and is only payable to the extent that there are revenues received from sales of the VER units. During the current year, \$22,880 was paid against the note reducing the outstanding balance to \$39,920 as of June 30, 2009. (See also Note 9.)

### **Note 9 - Carbon Contract:**

During the fiscal year 2008 a contract was executed with a major public utility to sell (VER) units, related to land and conservation easements owned by the Fund. The contract has a total potential value of \$152,532, receipt of which is contingent upon a number of approvals, verifications and methodologies to be performed periodically and whose future realization is currently not predictable with any certainty so was not recognized as revenue. During fiscal 2008 \$22,974 was received under the contract and recognized as revenue and is included in "Other income" on the Statement of Activities, while no income was received under the contract during the year ended June 30, 2009. (see also Note 8).

### **Note 10 - Commitments and Contingencies:**

The Fund leases office space under a noncancelable lease that expires in April 2010. Minimum annual rent is \$4,993 per month. Rent shall increase according to percentage increases in the Consumer Price Index. The Fund also leases storage space on a month-to-month basis. In the year ended June 30, 2009, total rent expense was \$63,215. Future minimum payments under the lease approximate \$49,930 for the year ending June 30, 2010.

# Sempervirens Fund

## Notes to Financial Statements

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### Note 11 - Temporarily Restricted Net Assets:

Temporarily restricted net assets at June 30, 2009 were available for the following purposes:

Interest in remainder trusts	\$ 394,677
Interest in land with life estate	466,599
Land acquisition	65,257
Program services	143,567
<u>Endowment investment earnings</u>	<u>3,089</u>
	<u>\$ 1,073,189</u>

### Note 12 – Endowment Fund:

Permanently restricted net assets represent endowment funds, for which the principal is to remain intact and earnings are available for use by the Fund.

The Board of the Fund has interpreted California's adoption of UPMIFA which became effective January 1, 2009 as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowments absent explicit donor stipulations to the contrary. As a result of this interpretation, the Fund 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) any accumulations to the permanent endowment made in accordance with the direction of an applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Fund in a manner consistent with the standard of prudence prescribed by California's enacted version of UPMIFA.

The Fund's endowment currently consists of one individual fund created as the result of a bequest of \$186,456 received with the stipulation that it be used for endowment purposes with income therefrom to be used for the Fund's operations. Distributions of the bequest were received in three installments during fiscal years 2002 (\$85,814), 2004 (\$42,907) and 2005 (\$57,735) and invested in certificates of deposit at the local branch of a national bank. Beginning with the first distribution, and continuing through the end of fiscal year 2008, all income earned from the endowment fund investments has been transferred annually to the organization's general operating account.

Beginning with fiscal year 2009, in accordance with Financial Accounting Standards Board Financial Staff Position FAS 117-1, and California's adoption of UPMIFA all income earned on endowment fund investments will be treated as temporarily restricted until appropriated by the authorization of the Fund's board.

# Sempervirens Fund

## Notes to Financial Statements

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Effective beginning with fiscal year 2010 the Board of the Fund, in accordance with California's UPMIFA, will consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the organization and the donor restrictions.
- General economic conditions
- The possible effects of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the organization.
- The investment policies of the organization.

For, the year ended June 30, 2009 the Fund's permanently restricted endowment funds earned \$3,089 in interest, all of which is included in temporarily restricted net assets awaiting appropriation for expenditure. There was no other activity in the Fund's endowment for fiscal year 2009.

### **Note 13 - Joint Ownership Land Holdings:**

Conservation land holdings at June 30, 2009 include a 535 acre parcel purchased jointly with another land conservation organization. The Fund's 50% ownership interest is valued at \$3,878,000 and both organizations have agreed to share equally in any related transaction, holding and management costs during their joint ownership. During fiscal 2009 the Fund's share of such costs was \$103,553. The property contains numerous cabins, developed camp sites and recreational facilities and the intended future goal for the property is for conveyance into state ownership for use as a public park. Day-to-day management has been contracted out to an independent contractor.

### **Note 14 - Concentrations of Risk:**

The primary concentrations of market risk exist in the cash area. The Fund has cash deposits in financial institutions in excess of federally insured limits at June 30, 2009.

### **Note 15- Subsequent Events:**

The Fund has reviewed the results of operations for the period of time from its fiscal year ended June 30, 2009 through the date of the independent auditors' report and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements. However, for purposes of disclosure, in July 2009 the Fund received an unrestricted bequest distribution of \$300,000.

# Sempervirens Fund

## Supplementary Information - Schedule of Land Holdings (See Auditors' Report)

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*Year Ended June 30, 2009*

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**Conservation Land and Easement Holdings Activity:**

Beginning of year	\$ 12,937,404
Land purchased	285,000
Adjustments to land value	(669,500)

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End of year	\$ 12,552,904
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**Land Subject to Life Estate:**

Beginning of year	\$ 415,722
Net change in value	50,877

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End of year	\$ 466,599
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