Financial Statements
With Independent Auditor's Report

June 30, 2019

The West Marin Fund

EideBailly

THE WEST MARIN FUND

JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

The West Marin Fund
Point Reyes Station, California

We have audited the accompanying financial statements of The West Marin Fund (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Marin Fund as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

San Ramon, California
April 9, 2020

THE WEST MARIN FUND

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS		
Cash and cash equivalents	$	110,667
Investments at fair value		503,040
Beneficial interest in community foundation		2,105,528
Prepaid expenses		1,814
Total Assets	$	2,721,049
LIABILITIES		
Accounts payable	$	5,086
Total Liabilities		5,086
NET ASSETS		
Without donor restrictions		
Undesignated		1,218,327
With donor restrictions		1,497,636
Total Net Assets		2,715,963
Total Liabilities and Net Assets	$	2,721,049

See the accompanying notes to financial statements.

THE WEST MARIN FUND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Contributions	$ 453,366	$ 1,675,189	$ 2,128,555
Investment income, net of investment expenses	75,455	38,071	113,526
Other income	1,000	-	1,000
Net assets released from restrictions	775,368	(775,368)	-
Total Support and Revenues	1,305,189	937,892	2,243,081
Expenses			
Community grants	926,518	-	926,518
Supporting services			
Management and general	86,451	-	86,451
Fundraising	48,044	-	48,044
Total program and supporting services	1,061,013	-	1,061,013
CHANGE IN NET ASSETS	244,176	937,892	1,182,068
NET ASSETS, BEGINNING OF YEAR	974,151	559,744	1,533,895
NET ASSETS, END OF YEAR	$ 1,218,327	$ 1,497,636	$ 2,715,963

See the accompanying notes to financial statements.

THE WEST MARIN FUND

STATEMENT OF FUNCTIONAL EXPENSES
THE YEAR ENDED JUNE 30, 2019

	Community Grants	Management and General	Fundraising Activities	Total Expenses
Grants	$ 711,822	$ -	$ -	$ 711,822
Personnel costs	155,958	29,309	33,786	219,053
Miscellaneous	-	844	-	844
Office expenses	6,713	29,953	13,482	50,148
Occupancy	8,190	2,037	776	11,003
Professional services	43,377	22,260	-	65,637
Travel	458	2,048	-	2,506
Total Expenses	$ 926,518	$ 86,451	$ 48,044	$ 1,061,013

See the accompanying notes to financial statements.

THE WEST MARIN FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 1,182,068
Adjustments to reconcile change in net assets to net cash provided by operations	
Change in operating assets and liabilities	
Accounts payable	2,483
Net Cash Provided by Operating Activities	(920,977)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	817,473
Proceeds from sale of investments	212,199
Net Cash Used by Investing Activities	1,029,672
NET INCREASE IN CASH AND CASH EQUIVALENTS	108,695
CASH AND CASH EQUIVALENTS, Beginning of Year	1,972
CASH AND CASH EQUIVALENTS, End of Year	$ 110,667

See the accompanying notes to financial statements.

NOTE #1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The West Marin Fund (the "Organization") maintains and advances the cultural, health, educational, social and civic resources of West Marin through supporting other nonprofit organizations and providing philanthropic leadership to help create and promote efforts among citizens to maintain and improve the quality of life in that community.

New Accounting Pronouncement

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. This ASU modified the current guidance over several criteria of which the following affected the Organization's financial statements:

- Net assets are to be segregated into two categories, "with donor restrictions" and "without donor restrictions", as opposed to the previous requirement of three classes of net assets.
- Disclosure of qualitative and quantitative information relating to management of liquidity and the availability of financial assets to cover short-term cash needs within one year from the consolidated statement of financial position date.
- Presentation of expenses by both their natural classification and their functional classification.
- Presentation of the indirect method reconciliation of operating cash flows on the consolidated statements of cash flows is no longer required when the direct method of reporting is used.
- Disclosure of the methods used to allocate costs among program and supporting (general and administrative and fundraising) functions.
- Presenting investment return net of external and direct internal investment expenses.

The Organization has implemented the provisions of this ASU as of June 30, 2019 because management believes it provides decision useful information.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with original maturities of three months or less to be cash equivalents.

Beneficial Interest in Assets Held by Community Foundation

The Organization established an endowment fund that is perpetual in nature (the Fund) under a community foundation's (the CF) Non-Profit Preservation Endowment Challenge Grant Program and named the Organization as beneficiary. The Organization granted variance power to the CF, which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the CF for the Organization's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities.

Promises to give

Unconditional promises to give (pledges) are recognized as revenues in the period the promise is received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Contributions

Contributions received are recorded as Net Assets with Donor Restrictions or Net Assets without Donor Restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), Net Assets with Donor Restrictions are reclassified to Net Assets without Donor Restrictions and reported in the statement of activities as net assets released from restrictions. Restricted support, where restrictions are met in the same period as the donation is made, is shown as additions to unrestricted support. Approximately 45% of the annual contributions is received from one community foundation. During the year ended June 30, 2019 board members of the Organization donated approximately $71,200.

Use of Estimates

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

Income Taxes

The Organization is a corporation that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b) (1) (A) (vi). Income tax returns for 2015 and forward may be audited by regulatory agencies; however, the Organization is not aware of any such actions at this time.

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements. Interest and penalties related to uncertain tax positions are recorded as part of the income tax expense, when applicable.

Allocation of Functional Expenses

The personnel costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses based on time spent by personnel in performing functional activities. Accordingly, the personnel costs have been allocated among the programs and supporting services benefited.

Description of Program and Supporting Services

Community Grants
The Organization provides support for various nonprofit groups and organizations serving the community. The Organization supports a youth philanthropy program and a youth center in the community. It also conducts educational seminars and programs for community organizations and members.

Management and General
Management and general support services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. These include functions necessary to maintain an equitable employment program, manage the financial and budgetary responsibilities of the organization, and manage other similar functions.

Fundraising Activities
Provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash	$ 110,667
Investments	503,040
Beneficial interest in community foundation	607,892
Total	$ 613,707

As part of the Organization's liquidity management, it has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE # 4 – INVESTMENTS

Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value. Fair value is determined using quoted market prices (where available), or if not available, estimated fair values are determined based on quoted market prices of financial instruments with similar characteristics. All other investments are carried at the lower of cost or market. Recognized gains and losses on investments are reflected in the statement of activities. Dividends and interest income are recorded during the period earned.

Fair value of investments as of June 30:

Mutual funds	$	503,040
Beneficial interest in community foundation		2,105,528
Total investments	$	2,608,568

Investment activity for the year ended June 30:

Unrealized gain on investments	$	73,035
Interest and dividends		42,151
Subtotal investment income		115,186
Investment expenses		(1,660)
Investment income	$	113,526

NOTE # 5 – FAIR VALUE

The Organization determines the fair market values of certain financial instruments based on the fair value hierarchy established in FASB ASC 820-10-50, which requires an entity to maximize the use of observable inputs and minimize the use unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The Organization also has a beneficial interest in assets held by a community foundation that are based on the fair value of fund investments as reported by the community foundation and classified within Level 2 based on the credit quality, time to maturity, stated interest rates, and market-rate assumptions of the separate underlying investments associated with these accounts.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2019. The Organization did not have any liabilities measured at fair value on a recurring basis.

	Level 1	Level 2	Level 3	Total
Mutual funds	$ 503,040	$ -	$ -	$ 503,040
Beneficial interest in community foundation	-	2,105,528	-	2,105,528
Total	$ 503,040	$ 2,105,528	$ -	$ 2,608,568

NOTE # 6 - OPERATING LEASES

The Organization rents its administrative offices in Point Reyes Station, California under an operating lease that will expire in March 2021. Rent expense is $420 per month.

Future minimum payments under these leases are as follows:

Year Ending June 30	Amount
2020	$ 4,890
2021	3,780
Total	$ 8,670

Rent expense under the office lease for the year ended June 30, 2019 was $9,698.

NOTE #7 – SUBSEQUENT EVENTS

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through April 9, 2020, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.