New Haven Land Trust

Financial Statements

Year Ended December 31, 2007
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
New Haven Land Trust, Inc.

We have audited the accompanying statement of financial position of New Haven Land Trust, Inc. (a nonprofit organization) as of December 31, 2007 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 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 New Haven Land Trust, Inc. as of December 31, 2007, 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.

Lye & Lye, P.C.

Hamden, Connecticut
November 14, 2008
ASSETS

Current Assets
Cash and Cash Equivalents $ 85,211
Cash and Cash Equivalents Restricted to:
  Gatto Fund Spending 43,964
  Morris Creek Fund Spending 5,682
Grants Receivable 5,000
Prepaid Expenses 7,751
Deposits 3,992
Total Current Assets 151,620

Fixed Assets
Land 1,435,600
Equipment & Improvements (net) 103,235
Total Fixed Assets 1,538,835

Other Assets
Security Deposit 800

Total Assets $ 1,691,255

LIABILITIES AND NET ASSETS

Current Liabilities
Accounts Payable $ 3,434
Payroll Liabilities 3,564
Accrued Expenses 7,422
Total Current Liabilities/Total Liabilities 14,420

Net Assets
Unrestricted 1,627,169
Temporarily Restricted 49,666
Total Net Assets 1,676,835

Total Liabilities and Net Assets $ 1,691,255

The accompanying notes are an integral part of this statement.
NEW HAVEN LAND TRUST, INC  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>$108,250</td>
<td>$</td>
<td>$108,250</td>
</tr>
<tr>
<td>Memberships</td>
<td>5,465</td>
<td>5,465</td>
<td></td>
</tr>
<tr>
<td>Special Events</td>
<td>48,917</td>
<td>48,917</td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>83,991</td>
<td>83,991</td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Investment Return</td>
<td>7,914</td>
<td>7,914</td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets Released from Restrictions</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of Purpose Restrictions</td>
<td>5,698</td>
<td>(5,698)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>280,335</td>
<td>(5,698)</td>
<td>254,637</td>
</tr>
</tbody>
</table>

| **Expenses**                |              |                        |          |
| Program Services            |              |                        |          |
| Land Conservation           | 38,301       |                        | 38,301   |
| Gardening                   | 171,315      |                        | 171,315  |
| **Total Program Services**  | 209,616      | 0                      | 209,616  |
| Supporting Services         |              |                        |          |
| Fundraising                 | 4,915        |                        | 4,915    |
| Management and General      | 26,792       |                        | 26,792   |
| **Total Supporting Services**| 31,707       | 0                      | 31,707   |
| **Total Expenses**          | 241,323      | 0                      | 241,323  |

| **Changes in Net Assets**   |              |                        |          |
|                            | 19,012       | (5,698)                | 13,314   |
| **Net Assets at Beginning of Year, as Restated** | 1,608,157 | 55,364 | 1,663,521 |

| **Net Assets at End of Year** | $1,627,169 | $49,666 | $1,676,835 |

The accompanying notes are an integral part of this statement.
NEW HAVEN LAND TRUST, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets $ 13,314
   Adjustments to reconcile change in net assets
to net cash used in operating activities:
   Depreciation 22,504
   Contributions of Land Parcels (75,205)
   Increase in Grants Receivable (5,000)
   Increase in Prepaid Expenses (23)
   Increase in Deposits (3,252)
   Decrease in Accounts Payable (5,423)
   Increase in Payroll Liabilities 831
   Increase in Accrued Expenses 1,057

NET CASH USED IN OPERATING ACTIVITIES (51,197)

CASH FLOWS FROM INVESTING ACTIVITIES:

   Purchases of Land Parcels (255)
   Purchases of Improvements and Equipment (19,777)

NET CASH USED IN INVESTING ACTIVITIES (20,032)

NET DECREASE IN CASH (71,229)

CASH AT BEGINNING OF YEAR 206,106

CASH AT END OF YEAR $ 134,877

Supplemental Disclosure of Cash Flow Information

   Fair Value of Contributed Land Parcels $ 75,205
   Income Taxes Paid $ 0
   Interest Paid $ 0

The accompanying notes are an integral part of this statement.
NEW HAVEN LAND TRUST, INC.
Notes to Financial Statements
December 31, 2007

ORGANIZATION, HISTORY, AND PURPOSE

The New Haven Land Trust, Inc. (the Trust), a non-stock, not-for-profit corporation, incorporated under the laws of the State of Connecticut, was created to promote the preservation and study of natural resources in the greater New Haven, Connecticut community for the benefit and education of the general public.

Currently, activities include acquiring land for public use and preservation; managing approximately 50 community gardens and numerous nature preserves; providing environmental and horticultural education through distribution of newsletters and nature walks; building and maintaining an active membership; and general stewardship to the public. The Trust’s support comes primarily through grants and donor contributions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

B. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No.117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

C. Restricted and Unrestricted Revenue

All public support and other revenue received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.
C. Restricted and Unrestricted Revenue, Continued

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a 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.

D. Contributed Services

During the year ended December 31, 2007, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Trust at the land preserves and community gardens, but these services do not meet the criteria for recognition as contributed services.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Trust considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

F. Investments

Under SFAS No. 124, Accounting for Certain Investments Held by Not-for Profit Organizations, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.
NEW HAVEN LAND TRUST, INC.
Notes to Financial Statements
December 31, 2007

G. Fixed Assets

Fixed assets are being depreciated on a straight-line basis over their estimated useful lives.

Acquisitions of fixed assets in excess of $500 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Donated assets are reflected as contributions in the accompanying statements at their market or appraised values at date of receipt. Purchased fixed assets are recorded at cost.

H. Income Taxes

The Trust, a qualified not-for-profit organization operating under Section 501(c)(3) of the Internal Revenue Code, is exempt from federal and state income taxes.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Trust to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

J. Advertising

Advertising costs are expensed as incurred. Advertising expense was $150 for the year ended December 31, 2007
NEW HAVEN LAND TRUST, INC.
Notes to Financial Statements
December 31, 2007

2. RESTRICTED FUNDS

The Gatto Fund contributions, invested in money market funds, are segregated into a restricted fund to be used in the costs of improving the wetlands. The Morris Creek Fund contributions, invested in U.S. Government reserve funds, are segregated into restricted funds to be used in the costs of maintaining and preserving the Morris Creek area. Activities related to the restricted funds for the year ended December 31, 2007 are summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at January 1, 2007, Restated</td>
<td>$ 55,364</td>
</tr>
<tr>
<td>Transfer to General Funds</td>
<td>($ 5,698)</td>
</tr>
<tr>
<td>Balance at December 31, 2007</td>
<td>$ 49,666</td>
</tr>
</tbody>
</table>

3. GRANTS RECEIVABLE

Grants Receivable is the income earned in compliance with the specifications of a matching grant program at December 31, 2007 from the Community Foundation of Greater New Haven.

4. PREPAID EXPENSES

As of December 31, 2007, prepaid expenses were composed of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors' and Officers' Liability Insurance</td>
<td>$ 854</td>
</tr>
<tr>
<td>Commercial Umbrella Insurance</td>
<td>515</td>
</tr>
<tr>
<td>Property Liability Insurance</td>
<td>1,118</td>
</tr>
<tr>
<td>Workman's Compensation Insurance</td>
<td>5,264</td>
</tr>
<tr>
<td></td>
<td>$ 7,751</td>
</tr>
</tbody>
</table>

5. LAND

Land consists of land preserves and community gardens that have been purchased by or donated to the Trust and is reflected at cost or fair market value at date donated. Fair market values that were not determined by professional appraisals were established by municipal assessor's recorded valuations or management's estimates based on its knowledge of similar land transactions.
6. **FIXED ASSETS**

Land, Equipment and Improvements consist of the following at December 31, 2007:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land – Preserves</td>
<td>$1,425,019</td>
</tr>
<tr>
<td>Land – Gardens</td>
<td>10,581</td>
</tr>
<tr>
<td>Land: Conservation</td>
<td>$65,313</td>
</tr>
<tr>
<td>Improvements</td>
<td></td>
</tr>
<tr>
<td>Garden: Tools and</td>
<td>26,945</td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
</tr>
<tr>
<td>Raised Beds</td>
<td>144,976</td>
</tr>
<tr>
<td>Improvements</td>
<td>15,629</td>
</tr>
<tr>
<td>Office: Equipment</td>
<td>4,528</td>
</tr>
<tr>
<td>Website</td>
<td>3,500</td>
</tr>
</tbody>
</table>

Total Cost: $260,891

Less: Accumulated Depreciation: $(157,656)

Net Book Value of Equipment and Improvements: $103,235

Total Fixed Assets: $1,538,835

Depreciation expense for the year ended December 31, 2007 amounted to $22,504.

7. **RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

- Wetland improvements – Gatto Fund: $43,984
- Maintenance/Preservation of Morris Creek: $5,682

Total Temporarily Restricted Net Assets: $49,666
8. **CONCENTRATION OF CREDIT RISK**

The Trust maintains its cash in bank deposit and money market mutual fund accounts, which, at times, may exceed federally insured limits. The Trust has not experienced any losses in such accounts. The Trust seeks to maximize its interest and dividend income and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

9. **MAJOR GRANTOR**

The Trust receives its grant revenue primarily from the Community Foundation of Greater New Haven. For the period ended December 31, 2007, grants from the Community Foundation represented 69% of total grant revenue.

10. **INVESTMENTS**

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2007:

- Unrestricted:
  - Dividend Income $ 7,349
  - Interest Income $ 565

  Total Investment Return $ 7,914

11. **FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
12. **LEASE COMMITMENTS**

The Trust leases its office facilities located in New Haven, Connecticut. Rent for the office facilities for the year ended December 31, 2007 is $10,000. The Trust presently is on an $880 month-to-month basis.

The Trust leases a storage container under a short-term rental arrangement. Storage space rent expense for the year ended December 31, 2007 is $1,028.

13. **RESTATEMENT OF PRIOR YEARS**

The Organization discovered errors in the fund restrictions reported on prior year financial statements and restated beginning net assets as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets at beginning of year, as originally stated</td>
<td>$ 1,661,271</td>
<td>$ 2,250</td>
</tr>
<tr>
<td>Prior Period Adjustments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reclassification of Morris Creek Funds</td>
<td>(6,424)</td>
<td>6,424</td>
</tr>
<tr>
<td>Reclassification of Gatto Funds</td>
<td>(46,690)</td>
<td>46,690</td>
</tr>
<tr>
<td>Net assets at beginning of year, as restated</td>
<td>$ 1,608,157</td>
<td>$ 55,364</td>
</tr>
</tbody>
</table>