

**Weantinoge Heritage Land Trust, Inc.  
Financial Statements and  
Independent Auditor's Report  
December 31, 2014**

**Weantinoge Heritage Land Trust, Inc.**  
**Index to Financial Statements**  
**December 31, 2014**

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## **Independent Auditor's Report**

To the Board of Directors of  
Weantinoge Heritage Land Trust, Inc.  
Kent, Connecticut

We have audited the accompanying statement of financial position of Weantinoge Heritage Land Trust, Inc. (the "Land Trust"), as of December 31, 2014, and the related statements of activities and changes in net assets, 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.

### **Auditor's 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 Land Trust'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 Land Trust'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.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Weantinoge Heritage Land Trust, Inc. as of December 31, 2014, 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.

### **Report on Summarized Comparative Information**

The financial statements of Weantinoge Heritage Land Trust, Inc. as of December 31, 2013 were audited by other auditors whose report dated September 26, 2014, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Reynolds & Rowella, LLP

New Canaan, Connecticut  
November 16, 2015

**Weantinoge Heritage Land Trust, Inc.**  
**Statements of Financial Position**  
**As of December 31, 2014 and 2013**

	2014	2013
<b>Assets</b>		
Cash and cash equivalents	\$ 288,674	\$ 388,194
Miscellaneous receivables	12,939	2,552
Prepaid expenses	13,333	12,098
Restricted cash and cash equivalents	1,160,901	330,689
Investments	515,662	449,042
Land and easements held for preservation	31,628,196	29,905,605
Equipment and furnishings, net	2,469	894
<b>Total Assets</b>	<u>\$ 33,622,174</u>	<u>\$ 31,089,074</u>
 <b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 50,456	\$ 57,049
Note payable	250,000	-
<b>Total Liabilities</b>	<u>300,456</u>	<u>57,049</u>
 <b>Net Assets</b>		
Unrestricted	32,146,732	30,658,511
Temporarily restricted	1,074,986	373,514
Permanently restricted	100,000	-
<b>Total Net Assets</b>	<u>33,321,718</u>	<u>31,032,025</u>
 <b>Total Liabilities and Net Assets</b>	<u>\$ 33,622,174</u>	<u>\$ 31,089,074</u>

See accompanying notes to financial statements.



**Weantinoge Heritage Land Trust, Inc.**  
**Statement of Activities and Changes in Net Assets**  
**For the Year Ended December 31, 2014 with Summarized Comparative Totals for 2013**

	2014			2013
	Unrestricted	Temporarily Restricted	Permanently Restricted	Summary Total
<b>Operating Revenue and Support</b>				
Contributions - land and easements	\$ 1,185,627	\$ -	\$ -	\$ 188,005
Contributions - cash and securities	744,217	737,000	100,000	242,496
Government grants	6,150	-	-	4,735
Program service income	1,600	-	-	11,365
Net realized and unrealized gains on investments and assets	49,912	-	-	103,903
Loss on adjustment of land values	-	-	-	(72,344)
Investment income	9,149	-	-	8,065
Gifts-in-kind	632	-	-	-
Other income	1,150	-	-	1,000
Special events, net of direct costs (\$43,287 and \$59,392, respectively)	183,330	-	-	181,960
Sub-Total	2,181,767	737,000	100,000	669,185
Net assets released from restrictions	35,528	(35,528)	-	-
<b>Total Operating Revenue and Support</b>	<b>2,217,295</b>	<b>701,472</b>	<b>100,000</b>	<b>669,185</b>
<b>Operating Expenses</b>				
Program services	422,726	-	-	260,468
Management and general	216,838	-	-	188,603
Fundraising	89,510	-	-	48,523
<b>Total Operating Expenses</b>	<b>729,074</b>	<b>-</b>	<b>-</b>	<b>497,594</b>
<b>Change in Net Assets</b>	<b>1,488,221</b>	<b>701,472</b>	<b>100,000</b>	<b>171,591</b>
<b>Net Assets, Beginning of Year</b>	<b>30,658,511</b>	<b>373,514</b>	<b>-</b>	<b>30,860,434</b>
<b>Net Assets, End of Year</b>	<b>\$ 32,146,732</b>	<b>\$ 1,074,986</b>	<b>\$ 100,000</b>	<b>\$ 31,032,025</b>

See accompanying notes to financial statements.

**Weantinoge Heritage Land Trust, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2014**  
**With Summarized Comparative Totals for 2013**

Expenses	2014				2013
	Program Services	Management and General	Fund Raising	Total Expenses	Summary Total
Payroll	\$ 203,764	\$ 102,824	\$ 54,022	\$ 360,610	\$ 257,516
Professional services	120,453	-	24,310	144,763	61,803
Professional fees	17,561	40,897	-	58,458	51,421
Office expenses	6,090	25,496	24	31,610	20,522
Rent	-	28,394	-	28,394	22,640
Other special event	23,849	-	-	23,849	-
Land maintenance	22,245	-	-	22,245	22,366
Insurance	8,855	10,825	-	19,680	23,869
Printing	713	3,050	6,424	10,187	8,153
Accreditation application	6,400	-	-	6,400	-
Travel and meals	3,223	2,026	531	5,780	2,996
Postage and shipping	1,282	668	2,549	4,499	1,787
Property taxes	4,091	-	-	4,091	3,652
Dues and memberships	850	-	1,650	2,500	8,503
Meetings	65	2,064	-	2,129	1,074
Education and outreach	2,049	-	-	2,049	5,240
Depreciation	431	544	-	975	4,904
Vehicle expense	755	-	-	755	402
Miscellaneous	50	50	-	100	630
Interest expense	-	-	-	-	116
<b>Total Expenses</b>	<b>\$ 422,726</b>	<b>\$ 216,838</b>	<b>\$ 89,510</b>	<b>\$ 729,074</b>	<b>\$ 497,594</b>

See accompanying notes to financial statements.

**Weantinoge Heritage Land Trust, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2014 and 2013**

	2014	2013
<b>Operating Activities</b>		
Change in net assets	\$ 2,289,693	\$ 171,591
Adjustment to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	975	4,904
Unrealized net appreciation on investments	(49,708)	(103,314)
Realized gain on investments	(204)	(589)
Loss on adjustment of land values	-	72,344
In-kind donation of equipment	-	5,000
Contributions of land and easements for preservation	(1,185,627)	(188,005)
Contributions of stock	(22,984)	(10,247)
Changes in operating assets and liabilities:		
Miscellaneous receivables	(10,387)	6,276
Prepaid expenses	(1,235)	1,089
Restricted cash and cash equivalents	(830,212)	-
Accounts payable and accrued expenses	(6,593)	14,031
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>183,718</b>	<b>(26,920)</b>
<b>Investing Activities</b>		
Purchases of property and equipment	(2,550)	-
Purchases of land	(286,964)	-
Purchases of investments	(9,071)	(8,008)
Proceeds from sale of investments	15,347	43,628
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(283,238)</b>	<b>35,620</b>
<b>Financing Activities</b>		
Payments on capital lease obligation	-	(1,301)
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>(1,301)</b>
<b>Change in Cash &amp; Cash Equivalents</b>	<b>(99,520)</b>	<b>7,399</b>
<b>Cash &amp; Cash Equivalents, Beginning of Year</b>	<b>388,194</b>	<b>380,795</b>
<b>Cash &amp; Cash Equivalents, End of Year</b>	<b>\$ 288,674</b>	<b>\$ 388,194</b>
<b>Supplemental Disclosures of Cash Flow information</b>		
Cash Paid during the year for interest on capital lease	\$ -	\$ 116
Non cash investing and financing transactions:		
Donation of other equipment	\$ -	\$ 5,000
Land purchased with debt	\$ 250,000	\$ -

See accompanying notes to financial statements.



**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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**1. Nature of Operations and Summary of Significant Accounting Policies**

Nature of Operations

Weantinoge Heritage Land Trust, Inc. (the "Land Trust") is a non-profit land trust that promotes the preservation of open space through the acquisition and maintenance of undeveloped land. The Land Trust accepts both contributions of title to property and contributions of conservation easements, which are then monitored. Sources of revenue include contributions and memberships, special fundraising events, investment earnings, and fees for certain services related to land preservation.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America ("GAAP"). Revenues are recognized when earned and expenses are recognized when incurred.

The Land Trust's financial statement presentation follows the recommendations of the Financial Accounting Standards Board's Accounting Standards Codification No. 958, Not-For-Profit Entities (ASC 985). Under ASC 985, net assets, revenues, and investment gains and losses are classified based on the absence or existence and nature of donor-imposed restrictions as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions.
- Temporarily restricted net assets – Net assets subject to donor restrictions for a period of time or specific purposes. When a donor imposed time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.
- Permanently restricted net assets – Net assets result from contributions from donors that place permanent restrictions on the use of the funds and require that the original contribution be invested in perpetuity. This type of contribution is reported as a permanently restricted net asset, the income from which may be either temporarily restricted or unrestricted, depending on the donor's specifications.

The Land Trust's accounting policy reports donations with donor-imposed restrictions that have been satisfied in the same reporting period as received as unrestricted revenue.

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.

**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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Cash and Cash Equivalents

The Land Trust has defined cash equivalents as highly liquid investments with original maturities of three months or less.

Concentration of Credit Risk

The Land Trust maintains cash balances in bank accounts, including brokerage accounts which may at times exceed federally insured limits. The Land Trust has not experienced any losses from such concentration and believes it is not exposed to any significant credit risk with respect to such balances.

Investments

The Land Trust records its financial assets and liabilities at fair value. The accounting standard for fair value provides a framework for measuring fair value, clarifies the definition of fair value and expands disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The accounting standard establishes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

**Level 1** – Quoted prices in active markets for identical assets or liabilities.

**Level 2** – Inputs other than Level 1 that are observable, either directly or indirectly, 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 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.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Money Market - Valued using amortized cost.

Publicly Traded Mutual Funds - Valued at market value.



**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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Equipment and Furnishings

Equipment and furnishings are recorded at cost, or if donated, at the approximate fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the asset for a specific purpose. Assets are depreciated using the straight-line method over the estimated useful lives of the assets which is 5-7 years for equipment and furnishings. Major repairs which extend, or improve the useful lives of the assets are added to their respective cost basis. Normal repair and maintenance costs are expensed as incurred.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Donated securities are recorded at fair value at the date of gift. Securities received by donation are generally sold immediately. In-kind contributions of equipment or other items are recorded at their fair value at the date of donation, and are unrestricted unless their use has been limited by a restriction imposed by the donor. There were \$632 and \$0 of in-kind contributions received during fiscal years ended December 31, 2014 and 2013, respectively. Contributed services are reported as contributions at their fair value if such services create or enhance nonfinancial assets and were provided by individuals possessing required specialized skills. The Land Trust received a variety of donated services throughout the year from generous volunteers, including property, trail and field maintenance activities. However, the services did not meet the criteria for recognition, and no fair value has been assigned or recorded.

Land and Conservation Easements

Purchased land is recorded at cost.

Donated land and conservation easements are recorded as unrestricted net assets. Donated properties are valued at estimated fair value and recorded on the date the donor delivers the deed to the Land Trust. All conservation easements acquired are valued at one dollar (\$1) and recorded by the Land Trust on the date the deed restriction is entered in municipal land records.

Contributions of funds for stewardship and defense of land and easements are reported as temporarily restricted support until utilized for the restricted purpose. It is the Land Trust's policy to place these contributions in the Stewardship Reserve Fund. The Stewardship Reserve Fund is classified as a temporarily restricted quasi-endowment net asset as of December 31, 2014 and 2013.

Allocation of Functional Expenditures

The statement of Activities is presented with expenses allocated functionally to the various programs and other activities. Some expenses have been prorated by units of usage or other formula basis to the functional categories benefited.

**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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Income Taxes

The Land Trust qualifies as a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

Management has evaluated the Land Trust's tax position and concluded that the Land Trust has taken no uncertain tax positions that require adjustment to or disclosures in the financial statements. The Land Trust's 2012 through 2014 tax years are open for examination by federal, state or local tax authorities.

Summarized Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Land Trust's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Events Occurring After Reporting Date

The Land Trust has evaluated events and transactions occurring between December 31, 2014 and November 16, 2015, which is the date the financial statements were available to be issued for possible disclosure and recognition in the financial statements.



**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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**2. Fair Value of Investments**

Investments are stated at fair value and consisted of the following at December 31, 2014 and 2013:

	2014			
	Level 1	Level 2	Level 3	Total
Money market funds:				
Restricted cash equivalents	\$ 1,160,901	\$ -	\$ -	\$ 1,160,901
Unrestricted cash equivalents	177,210	-	-	177,210
Total money market funds	<u>1,338,111</u>	<u>-</u>	<u>-</u>	<u>1,338,111</u>
Investments:				
Publicly traded mutual funds	507,822	-	-	507,822
Common stocks	7,840	-	-	7,840
Total investments	<u>515,662</u>	<u>-</u>	<u>-</u>	<u>515,662</u>
Total investments at fair value	<u>\$ 1,853,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,853,773</u>
	2013			
	Level 1	Level 2	Level 3	Total
Money market funds:				
Restricted cash equivalents	\$ 330,689	\$ -	\$ -	\$ 330,689
Unrestricted cash equivalents	267,150	-	-	267,150
Total money market funds	<u>597,839</u>	<u>-</u>	<u>-</u>	<u>597,839</u>
Investments:				
Publicly traded mutual funds	449,042	-	-	449,042
Total investments at fair value	<u>\$ 1,046,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,046,881</u>

**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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**3. Equipment and Furnishings**

Equipment and furnishings, net consisted of the following at December 31:

	2014	2013
Office equipment and furnishings	\$ 23,053	\$ 20,503
Vehicles	21,435	21,435
Total	44,488	41,938
Less: accumulated depreciation and amortization	(42,019)	(41,044)
Total Equipment and Furnishings, Net	<u>\$ 2,469</u>	<u>\$ 894</u>

Depreciation expense for the years ended December 31, 2014 and 2013 was \$975 and \$4,904, respectively.

**4. Note Payable**

In December 2014, the Land Trust entered into a note payable agreement with The Peter and Carmen Lucia Buck Foundation, Inc. for \$250,000 ("Note Payable"). Proceeds from the Note Payable were used to fund the purchase of a parcel of West Aspetuck land. The Note Payable bears no interest through December 2020 and then interest is calculated at .25% per year compounded annually through its maturity in December 2024. The Note Payable is secured by the property located in Kent, Connecticut. As of December 31, 2014 the Land Trust was in compliance with the covenants of this agreement.

**5. Land and Conservation Easements**

Land Held for Conservation

The Land Trust accepted two fee simple gifts, totaling approximately 139 acres of land in New Milford and Canaan Connecticut during 2014, with a total value of \$840,000.

The Land Trust purchased a fee simple parcel of approximately 16 acres of land in Kent Connecticut during 2014 for approximately \$537,000 of which \$250,000 was borrowed in a Note Payable agreement described in Note 4. The valuation of the land on the date of the purchase was \$1,300,000. Approximately \$764,000, relating to the difference between the land valuation and the purchase price of the land, was donated to the Land Trust by the seller and has been included in contributions – land and easements in the Statement of Activities for the year ended December 31, 2014.

The Land Trust accepted two fee simple gifts, totaling approximately 125 acres of land in New Milford Connecticut during 2013, with a total value of \$188,000.

**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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Conservation Easement

The Land Trust accepted one conservation easement during 2014 and five conservation easements during 2013. As of December 31, 2014, the Land Trust held a total of 175 easements incorporating over 5,000 acres as of December 31, 2014.

Title to one property in the State of New York held by the Land Trust in fee simple, and included in its land records, was verified as previously transferred after an easement was placed on it for the benefit of the Dutchess County Land Conservancy. The correction to the land records of the Land Trust was not material in relation to the overall value of the land and easement held for conservation by the Land Trust. A loss of \$72,344 was recorded to the financial statements for the year ended December 31, 2013 to reflect the removal of the property from the Land Trust's land records.

**6. Stewardship Reserve Fund**

The Land Trust reclassified its Stewardship Reserve Fund, identifying it as a quasi – endowment asset, as of December 31, 2013. The reclassification, accomplished by the Board of Directors resolution, established an endowment group for the Land Trust.

The Stewardship Reserve Fund ("SRF") consists of temporarily restricted donor contributions for land and easement monitoring and enforcement. The SRF is invested, managed and disbursed in accordance with policies established by the Land Trust's Board of Directors. In addition to restricted contributions, the SRF also contains some investment income reinvested over prior years. No portion of the SRF is permanently restricted.

Contributions of funds for stewardship and defense of land and easements are reported as additions to the SRF and as temporarily restricted support. The earnings generated by the SRF will be reported as unrestricted income.

**7. Temporarily Restricted Net Assets**

Temporarily restricted net assets at December 31, 2014 and 2013 included the following:

	2014	2013
Stewardship reserve fund	\$ 1,027,424	\$ 290,424
Land acquisition contributions	18,000	18,000
Land Trust Alliance accreditation purposes	-	24,070
Other conservation and easement protections purposes	29,562	38,661
Technology grant	-	2,359
	<u>\$ 1,074,986</u>	<u>\$ 373,514</u>



**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
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**8. Permanently Restricted Endowment Fund**

The Land Trust created a permanently restricted endowment fund to provide long-term general operating support the Land Trust. During the year, the Land Trust received one donation of \$100,000 to this fund.

The Land Trust has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (Connecticut UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Land Trust 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) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Land Trust in a manner consistent with the standard of prudence prescribed by Connecticut UPMIFA. In accordance with Connecticut UPMIFA, the Land Trust considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Land Trust and the donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and the appreciation of investments,
- Other resources of the Land Trust, and
- The investment policies of the Land Trust.

The permanently restricted endowment fund net assets of the Land Trust as of December 31, 2014 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ -	\$ 100,000	\$ 100,000

There were no permanently restricted net endowment fund net assets of the Land Trust as of December 31, 2013.



**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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**9. Stewardship Reserve Fund Endowment**

The Stewardship Reserve Fund operates as a quasi-endowment and consists of donor funds that are temporarily restricted for purpose.

The Stewardship Reserve Fund activity for the year ended December 31, 2014 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Net assets, beginning of year	\$ -	\$ 290,424	\$ 290,424
Investment return:			
Interest and Dividends	46	-	46
Total investment return	<u>46</u>	<u>-</u>	<u>46</u>
Contributions	-	737,000	737,000
Net assets, end of year	<u>\$ 46</u>	<u>\$ 1,027,424</u>	<u>\$ 1,027,470</u>

**10. Related Party Transactions**

The Land Trust leases offices space in Kent, Connecticut pursuant to a 5 years lease agreement that commenced on February 1, 2011 at \$1,750 per month. The lease includes a 4% scheduled annual rent increase, terminates on January 31, 2016 and includes a five year option to renew for one additional 5 years term.

The building the Land Trust leases for its office space was sold in August 2013. The purchaser of the property is a limited liability company that is managed and owned by two board members of the Land Trust, including the president of the Board of Directors of the Land Trust (through a single member "LLC" entity.) The successor owner of the building assumed the lease with the Land Trust under the same terms and conditions on August 16, 2013. In July of 2014, the Land Trust expanded into the first floor of the building increasing its monthly rental payment by \$1,000 and approximately doubling its office space.

Total payments to the related party for rent for the years ended December 31, 2014 and 2013 were \$28,546 and \$22,641, respectively. As of December 31, 2014 and 2013 there were no amounts due to the related party.

Future minimum annual lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 36,928
2016	<u>3,087</u>
Total future payments	<u>\$ 40,015</u>

**Weantinoge Heritage Land Trust, Inc.**  
**Notes to Financial Statements**  
**December 31, 2014**

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**11. Renting of Pastureland**

The Land Trust rents property located in New Milford, Connecticut to an unrelated party. The lease restricts the use of the property to pastureland for grazing cattle, livestock and other farm animals and for hay fields and other agricultural activities. The lease has a 10 year term and terminates on October 31, 2019. The lessee has an option to renew the lease for an additional 10 years. Rent of \$1,000 is due annually on November 1.

Future receipts on lease are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 1,000
2016	1,000
2017	1,000
2018	1,000
2019	1,000
Total future receipts	<u>\$ 5,000</u>

**12. Employee Benefit Plan**

The Land Trust adopted a SIMPLE IRA plan (Saving Incentive Match Plan for Employees) (the "Plan") effective January 1, 2012. Under the Plan's adoption agreement, the Land Trust agreed to match participant contributions up to three percent (3%) of the eligible employee's compensation. Participants may contribute up to the yearly maximum allowed by the Internal Revenue Code. The Land Trust contributed matching funds to the Plan for its employees of \$8,254 and \$5,887 for the years ended December 31, 2014 and 2013, respectively.

**13. Concentrations, Risks, and Uncertainties**

The Land Trust's invested assets consist of equities, equity funds, and money market funds. Investment securities are exposed to various risks, including interest rate, market and credit risks. Due to the level of uncertainty related to changes in interest rates, credit and market volatility, it is at least reasonably possible that changes could materially affect the fair value of investments reported in the statement of financial position as of December 31, 2014 and 2013.