

**Land Trust of Darien, Inc.**

**Financial Statements**

**June 30, 2024**



**Land Trust of Darien, Inc.**  
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Rolleri & Sheppard CPAS, LLP  
Ryan C. Sheppard, CPA, CFF, Managing Partner  
John M. Rolleri, CPA, CFE, Senior Partner  
Jayme L. White, CPA, Partner

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
The Land Trust of Darien, Inc.

### **Opinion**

We have audited the accompanying financial statements of The Land Trust of Darien, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Land Trust of Darien, Inc. as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Land Trust of Darien, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Land Trust of Darien, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of Darien, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Land Trust of Darien, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Rolleri & Sheppard CPAS, LLP***

Rolleri & Sheppard CPAS, LLP  
Fairfield, Connecticut  
December 2, 2024

**Land Trust of Darien, Inc.**  
**Statements of Financial Position**  
**June 30, 2024 and 2023**

	June 30, 2024			June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Assets:</b>						
<b>Current assets:</b>						
Cash and equivalents	\$ 566,108	\$ -	\$ 566,108	\$ 489,685	\$ -	\$ 489,685
Investments	1,068,868	-	1,068,868	1,010,107	-	1,010,107
Prepaid and other current assets	4,531	-	4,531	2,078	-	2,078
Total current assets	<u>1,639,507</u>	<u>-</u>	<u>1,639,507</u>	<u>1,501,870</u>	<u>-</u>	<u>1,501,870</u>
<b>Noncurrent assets:</b>						
Land and conservation easements	2,130,862	31,586,113	33,716,975	2,129,761	31,394,413	33,524,174
Restricted cash	30,464	-	30,464	32,018	-	32,018
Right of use asset - operating	-	-	-	1,297	-	1,297
Total noncurrent assets	<u>2,161,326</u>	<u>31,586,113</u>	<u>33,747,439</u>	<u>2,163,076</u>	<u>31,394,413</u>	<u>33,557,489</u>
Total assets	<u>\$ 3,800,833</u>	<u>\$ 31,586,113</u>	<u>\$ 35,386,946</u>	<u>\$ 3,664,946</u>	<u>\$ 31,394,413</u>	<u>\$ 35,059,359</u>
<b>Liabilities and net assets:</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	\$ 19,253	\$ -	\$ 19,253	\$ 18,003	\$ -	\$ 18,003
Deferred revenue	17,000	20,061	37,061	10,506	21,500	32,006
Interfund payable (receivable)	30,464	(30,464)	-	32,018	(32,018)	-
Lease liability	-	-	-	1,297	-	1,297
Total current liabilities	<u>66,717</u>	<u>(10,403)</u>	<u>56,314</u>	<u>61,824</u>	<u>(10,518)</u>	<u>51,306</u>
<b>Long-term liabilities:</b>						
Lease liability	-	-	-	-	-	-
Total liabilities	<u>66,717</u>	<u>(10,403)</u>	<u>56,314</u>	<u>61,824</u>	<u>(10,518)</u>	<u>51,306</u>
<b>Net assets:</b>						
<b>Without donor restrictions:</b>						
Undesignated	1,603,254	-	1,603,254	1,473,361	-	1,473,361
Land and conservation easements	2,130,862	-	2,130,862	2,129,761	-	2,129,761
						-
<b>With donor restrictions:</b>						
Purpose restriction	-	10,403	10,403	-	10,518	10,518
Perpetual in nature	-	31,586,113	31,586,113	-	31,394,413	31,394,413
Total net assets	<u>3,734,116</u>	<u>31,596,516</u>	<u>35,330,632</u>	<u>3,603,122</u>	<u>31,404,931</u>	<u>35,008,053</u>
Total liabilities and net assets	<u>\$ 3,800,833</u>	<u>\$ 31,586,113</u>	<u>\$ 35,386,946</u>	<u>\$ 3,664,946</u>	<u>\$ 31,394,413</u>	<u>\$ 35,059,359</u>

See independent auditor's report and notes to financial statements.

**Land Trust of Darien, Inc.**  
**Statements of Activities**  
**For the Years Ended June 30, 2024 and 2023**

	<u>June 30, 2024</u>			<u>June 30, 2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenues, gains and other support:</b>						
Membership	\$ 178,624	\$ -	\$ 178,624	\$ 186,155	\$ -	\$ 186,155
Land gift	-	191,700	191,700	-	825,000	825,000
Donations in-kind	19,095	-	19,095	-	-	-
Contributions and grants	4,582	1,440	6,022	4,613	3,500	8,113
Investment income, including realized and unrealized gains	80,618	-	80,618	26,471	-	26,471
Special events and other income	94,572	-	94,572	78,179	-	78,179
Net assets released from restriction:						
Meadow enhancement project	115	(115)	-	482	(482)	-
Pond remediation and enhancement	1,440	(1,440)	-	3,500	(3,500)	-
Total revenues, gains and other support	<u>379,046</u>	<u>191,585</u>	<u>570,631</u>	<u>299,400</u>	<u>824,518</u>	<u>1,123,918</u>
<b>Expenses:</b>						
Land trust program services	197,923	-	197,923	201,853	-	201,853
Management and general	24,719	-	24,719	26,180	-	26,180
Fund raising and development	25,410	-	25,410	28,892	-	28,892
Total expenses	<u>248,052</u>	<u>-</u>	<u>248,052</u>	<u>256,925</u>	<u>-</u>	<u>256,925</u>
<b>Change in net assets</b>	<u>130,994</u>	<u>191,585</u>	<u>322,579</u>	<u>42,475</u>	<u>824,518</u>	<u>866,993</u>
<b>Net assets at beginning of year</b>	3,603,122	31,404,931	35,008,053	3,560,647	30,580,413	34,141,060
<b>Net assets at end of year</b>	<u>\$ 3,734,116</u>	<u>\$ 31,596,516</u>	<u>\$ 35,330,632</u>	<u>\$ 3,603,122</u>	<u>\$ 31,404,931</u>	<u>\$ 35,008,053</u>

See independent auditor's report and notes to financial statements.

**Land Trust of Darien, Inc.**  
**Statements of Functional Expenses**  
**For the Years Ended June 30, 2024 and 2023**

	June 30, 2024				June 30, 2023			
	Land Trust Program Services	Management and General	Fund Raising and Development	Total	Land Trust Program Services	Management and General	Fund Raising and Development	Total
Conferences and education	\$ 2,865	\$ -	\$ -	\$ 2,865	\$ 7,150	\$ -	\$ -	\$ 7,150
Development	-	-	15,021	15,021	-	-	15,127	15,127
Dues and subscriptions	2,177	-	-	2,177	3,046	-	-	3,046
Insurance	5,350	-	-	5,350	5,253	-	-	5,253
Miscellaneous	-	-	-	-	175	123	53	351
Office and administration	33,049	3,888	1,944	38,881	29,729	3,498	1,749	34,976
Operating lease cost	5,850	1,170	780	7,800	5,850	1,170	780	7,800
Publicity and web-site	64,798	-	3,410	68,208	50,469	-	2,656	53,125
Professional fees	-	13,278	-	13,278	-	8,597	-	8,597
Salaries and payroll taxes	31,916	6,383	4,255	42,554	63,958	12,792	8,527	85,277
Stewardship and other maintenance	51,918	-	-	51,918	36,223	-	-	36,223
Total expenses	<u>\$ 197,923</u>	<u>\$ 24,719</u>	<u>\$ 25,410</u>	<u>\$ 248,052</u>	<u>\$ 201,853</u>	<u>\$ 26,180</u>	<u>\$ 28,892</u>	<u>\$ 256,925</u>

See independent auditor's report and notes to financial statements.

**Land Trust of Darien, Inc.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2024 and 2023**

	2024	2023
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 322,579	\$ 866,993
Adjustments to reconcile change in net assets to cash provided by (used) operating activities:		
Amortization of right of use operating lease	1,300	7,562
Decrease in promises to give and other receivables	-	12,246
Increase in prepaid and other current assets	(2,453)	(252)
Increase in accounts payable and accrued liabilities	1,250	8,212
Increase/(decrease) in deferred revenue	5,055	(1,457)
Decrease in lease liability	(1,300)	(7,562)
Realized and unrealized (gain) loss on investments	(23,516)	6,712
Land gift	(191,700)	(825,000)
Total adjustments	(211,364)	(799,539)
Net cash provided by operating activities	111,215	67,454
<b>Cash flows from investing activities:</b>		
Gross proceeds from sale of investments	547	68
Purchase of investments	(35,793)	(2,564)
Capitalized land acquisition costs	(1,101)	(2,104)
Net cash used by investing activities	(36,347)	(4,600)
Net increase in cash and cash equivalents and restricted cash	74,869	62,854
<b>Beginning cash, cash equivalents and restricted cash at July 1</b>	521,703	458,849
<b>Ending cash, cash equivalents and restricted cash at June 30</b>	\$ 596,572	\$ 521,703
<b>Noncash information:</b>		
Donated land gift	\$ 191,700	\$ 825,000
<b>Reconciliation of cash to statement of financial position</b>		
Cash and cash equivalents	\$ 566,108	\$ 489,685
Restricted cash from donations and gifts with restrictions	30,464	32,018
	\$ 596,572	\$ 521,703

See independent auditor's report and notes to financial statements.

**Land Trust of Darien, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024**  
**(See Independent Auditor's Report)**

**NOTE 1 - ORGANIZATION**

The Land Trust of Darien, Inc., (the "Land Trust"), is a non-stock corporation located in Darien, Connecticut, founded in 1960. The Land Trust permanently preserves and restores open space, providing the community with environmentally rich habitats, scenic vistas, opportunities for educational experiences and the quiet enjoyment of nature. Preservation of open space benefits the community by adding quality-of-life values for the residents of the Town of Darien, while preserving precious natural habitats and the rural character of the town for future generations.

The Land Trust owns or has conservation easements over approximately 200 acres in Darien. These comprise diverse natural habitats such as inland wetlands, tidal salt marshes, meadow habitats and upland forests. Some of the more significant Land Trust properties include meadow properties at Mather Meadows, Waterbury Field, Tokeneke Trail, Nearwater Lane and Molly Lane; coastal properties surrounding Holly Pond, Scott's Cove and the Goodwives River; nature preserves at Olson Woods, Tokeneke Trail and Dunlap Woods; and inland wetlands at Valley Forge and along the Five Mile River.

In recent years the Land Trust has developed educational programs in conjunction with the Darien Nature Center utilizing certain Land Trust open spaces. These programs include field trips that are science-curriculum based and give school children valuable learning experiences. These programs are designed to encourage young people to develop an appreciation and understanding of the natural habitats of Darien and hopefully become future stewards of these and other preserved lands.

The Land Trust amended the Articles of Incorporation in September 2016 to reflect the acquisition of a parcel of land in Norwalk. This property was part of the original Mather Homestead and is adjacent to the Mather Meadows that the Darien Land Trust currently owns. The Articles of Incorporation were amended to enable the preservation and conservation of this important parcel of land.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**Adoption of new accounting standard**

In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Land Trust that are subject to the guidance in FASB ASC 326 were accounts receivable. As of June 30, 2024 and 2023, the Land Trust had collected all accounts receivable. The Land Trust adopted the standard, effective July 1, 2023. The impact of the adoption was not considered material to the financial statements.

**Land Trust of Darien, Inc.**  
**Notes to Financial Statements**  
**June 30, 2024**  
**(See Independent Auditor's Report)**

**Basis of Accounting and Presentation**

The financial statements of the Land Trust have been prepared in accordance with generally accepted accounting principles (GAAP). Accordingly, the accounts of the Land Trust are reported by net asset category. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Contributions and Land Gifts**

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The Land Trust follows the guidance under the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08: *Not-For-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The guidance assists entities in (1) evaluating whether transactions should be accounted for as contribution (nonreciprocal transactions) within the scope of Accounting Standards Codification (“ASC”) Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. The Land Trust currently has one exchange transaction and has deferred the revenue and is recorded on the statement of financial position as such.

The Land Trust records land at cost or fair value at the date of acquisition if received by gift. Conservation easements are recorded at cost. No value is assigned to conservation easements that are donated to the Land Trust. All gifts of land and land interests meeting restricted criteria as set forth above are recorded as permanently restricted assets, unless specifically excluded by the donor.

Conservation easements are comprised of listed rights and/or restriction over the owned property that are conveyed by a property owner to the Land Trust, almost always in perpetuity, in order to protect the owned property as a significant natural area, as defined by federal regulations.

**Land Trust of Darien, Inc.**  
**Notes to Financial Statements**  
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**(See Independent Auditor's Report)**

**Revenue and Revenue Recognition**

The Land Trust follows guidance under FASB ASU 2014-09: *Revenue from Contracts with Customers*. This guidance includes the required steps to achieve the core principle that an entity recognizes revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Land Trust holds one fundraising event that would be accounted for under this standard and the revenue is recognized the day of the event.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These assumptions include estimates of land valuations, depreciable lives of long-lived assets, and allocation of functional expenses to name a few. Actual results could differ from those estimates.

**Receivables and Credit Policies**

Accounts receivable consist primarily of noninterest-bearing amounts from fundraising events. The Land Trust determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. As of June 30, 2024 and 2023 the Land Trust has no accounts receivable.

Receivables from contracts with customers are reported as accounts receivable in the accompanying statement of financial position. Contract liabilities are reported as deferred revenue in the accompanying statement of financial position.

Unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Land Trust determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2024 and 2023, the Land Trust does not carry a reserve as all promises have been collected as of or near the end of the fiscal year.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Land Trust considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. The Land Trust may at times maintain a portion of its cash in bank accounts in excess of FDIC insured amounts. Accounts are guaranteed by the FDIC up to \$250,000. As of June 30, 2024, the Land Trust had \$82,408 of uninsured cash balances. The Land Trust has not experienced any losses in such accounts and believes it is not exposed to any significant risk in maintaining accounts with these financial institutions.

**Land Trust of Darien, Inc.**  
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**Donated and In-Kind Materials and Services**

The Land Trust receives significant in-kind contributions of time and pro bono services from members of the community and volunteers related to special events and land preservation activities. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Land Trust. For services revenues that qualify for recognition, the Land Trust recognizes this revenue and corresponding expense in an amount approximating the estimated fair value at the time of the donation. The valuations are provided by the donor.

The Land Trust may receive auction items for its fundraising events as well as other donated materials from the public. It is the Land Trust's policy to record the donated auction items at the value of the gross selling price, while donated materials are recorded based upon the estimated value with 'like-kind' methodology.

**Functional Expenses**

The Land Trust allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support service are allocated directly according to their natural classifications. Other expenses that are common to several functions are allocated based upon estimates made by management using various methods such as payroll.

**Investments**

Marketable investments in mutual funds are carried at fair value based upon quoted market prices, which are level 1 inputs as defined. (Note 5)

**Office Equipment and Other Depreciable Assets**

Office equipment and other depreciable assets are stated at cost or, in the case of contributed assets, at their fair market value at the date of receipt as determined by the Land Trust. Depreciation is provided on the straight-line method for both financial and tax reporting purposes over the estimated useful lives of the related assets of three to seven years. All office equipment and other depreciable assets are fully depreciated as of June 30, 2024.

**Fundraising Costs from Special Events**

Direct expenses from special events were \$67,461 and \$50,430 for the years ended June 30, 2024 and 2023, respectively. The direct expenses from 2024 included \$9,215 of donated professional services. Fundraising events generated revenues of \$94,572 and \$78,179 for the years ended June 30, 2024 and 2023, respectively.

**Subsequent Events**

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, the Organization has evaluated subsequent events to the Statement of Financial Position date of June 30, 2024 through December 2, 2024, which is the date the financial statements were available to be issued.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on

**Land Trust of Darien, Inc.**  
**Notes to Financial Statements**  
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previously reported net assets.

**NOTE 3 – LIQUIDITY AND AVAILABILITY**

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

Cash and equivalents	\$	566,108
Investments		1,068,868
	\$	1,634,976

As part of our liquidity management plan, the Land Trust invest cash in excess of daily requirements in short-term investments and money market funds.

**NOTE 4 – REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Land Trust includes all operating revenues under fundraising activities on the statement of activities. The disaggregation of this revenue is as follows:

	<b>2024</b>		<b>2023</b>
Ticket sales	\$ 51,909	\$	54,679
Event sponsorships	39,650		23,500
Event contributions	3,013		-
	\$ 94,572	\$	78,179

Accounts (“Contract”) receivables at June 30, 2024 and 2023 was \$0 for both years. Contract liabilities are \$17,000 and \$10,506 at June 30, 2024 and 2023.

The following provides information about significant changes in contract liabilities for the year ended June 30, 2024 and 2023:

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**(See Independent Auditor's Report)**

	<b>2024</b>	<b>2023</b>
Deferred revenue, beginning of year	\$ 10,506	\$ 8,463
Revenue recognized that was included in deferred revenue at beginning of year	(10,506)	(8,463)
Increase in deferred revenue due to cash received during year	17,000	10,506
Deferred revenue, end of year	\$ 17,000	\$ 10,506

**NOTE 5 – FAIR VALUE MEASUREMENT**

The Land Trust follows guidance as set forth in the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-13, Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for fair value measurements. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820 are described as follows:

Fair value measurement – the Land Trust determines fair value based on assumptions that market participants would use pricing an asset or liability in the principal or most advantageous market. The Land Trust follows the fair value hierarchy when distinguishing assumptions in fair value measurement as outlined in the FASB “Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures”.

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Land Trust has the ability to access.
- Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly and include;
  - Quoted prices for similar assets or liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Market prices for similar instruments.
  - Inputs other than quoted prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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- Level 3 – Inputs to the valuation methodology are unobservable and significantly to the fair value measurement.

The availability of valuation techniques and observable inputs can vary from investment to investment and are impacted by factors such as investment type, whether the investment is new and not established in a marketplace, the liquidity of markets, and other transaction characteristics. To the extent the valuation is based on models or inputs that are less observable or unobservable in the market, determining fair value requires more judgment. Because of the inherent uncertainty of valuation, estimated values may be materially higher or lower than the values that would have been used had a ready market for the investment existed. Therefore, the degree of judgment used by the Land Trust in determining fair value is greatest for investments categorized in level 3. Inputs used to measure fair value might be categorized within different levels of fair

value hierarchy and are categorized based upon the lowest level of input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for assets measured at fair value:

Fixed Income Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Land Trust are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (“NAV”) and to transact at that price. The mutual funds held by the Land Trust are deemed to be actively traded.

Corporate Bond Exchange Traded Funds – Exchange traded funds are actively traded on active market exchanges.

There have been no changes in methodologies used at June 30, 2024.

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The following table sets forth by level, within the fair value hierarchy, the Land Trust's assets at fair value as of June 30, 2024 and 2023:

**June 30, 2024**

Description	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments:				
Fixed income mutual funds:				
Short-term bond	\$ 477,659	\$ 477,659	\$ -	\$ -
Exchange traded funds:				
Short-term bond	591,209	591,209	-	-
Total assets at fair value	<u>\$ 1,068,868</u>	<u>\$ 1,068,868</u>	<u>\$ -</u>	<u>\$ -</u>

**June 30, 2023**

Description	Total	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments:				
Fixed income mutual funds:				
Short-term bond	\$ 451,129	\$ 451,129	\$ -	\$ -
Exchange traded funds:				
Short-term bond	558,978	558,978	-	-
Total assets at fair value	<u>\$ 1,010,107</u>	<u>\$ 1,010,107</u>	<u>\$ -</u>	<u>\$ -</u>

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**NOTE 6 – INCOME TAXES**

The Land Trust is a not-for-profit corporation and has been recognized as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly does not record a provision for income taxes on its related earnings.

As of June 30, 2024 the Land Trust's information returns from June 30, 2022, and after remain open to regulatory examination.

**NOTE 7 – LAND GIFT**

During 2024, the Land Trust received a restricted land gift with an appraised value of \$191,700, which has been recorded in the fund with donor restrictions.

**NOTE 8 – INVESTMENTS**

The Land Trust carries its investments at fair value using valuations from publicly quoted sources for investment securities or level 1 observable inputs as defined under Statement on Financial Accounting Codification 820. As of June 30, 2024 and 2023 the Land Trust held the following investments:

	<u>2024</u>		<u>2023</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Fixed income mutual funds:				
Short-term bond	\$ 477,659	\$ 488,057	\$ 451,129	\$ 471,362
Exchange traded funds:				
Short-term bond	591,209	602,106	558,978	583,591
	<u>\$ 1,068,868</u>	<u>\$ 1,090,163</u>	<u>\$ 1,010,107</u>	<u>\$ 1,054,953</u>

**Land Trust of Darien, Inc.**  
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**NOTE 9 - NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restrictions are restricted for the following purposes or periods.

Subject to expenditure for specific purpose:

	2024	2023
Purpose restriction:		
Meadow enhancement	\$ 10,403	\$ 10,518
Perpetual in nature:		
Land and conservation easements	31,586,113	31,394,413
	\$ 31,596,516	\$ 31,404,931

The Land Trust released \$115 and \$482 in 2024 and 2023 for the meadow enhancement project.

The Land Trust also recognized \$1,440 of deferred revenue for the pond enhancement project during 2024. There remains \$20,061 of deferred revenue from this grant.

**NOTE 10 – DONATED PROFESSIONAL SERVICES AND MATERIALS**

The Land Trust received the following contributions of nonfinancial assets for the years ending June 30, 2024:

	2024	2023
In-kind materials	\$ 9,880	\$ -
In-kind services	9,215	-
	\$ 19,095	\$ -

**Land Trust of Darien, Inc.**  
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**NOTE 11 – LEASE COMMITMENT**

The Land Trust leases office space under a one-year lease arrangement at \$650 per month. The lease expires on September 1, 2024 and subsequent to the end of the year has been renewed for an additional one-year term.

For the year ended June 30, 2023, the Land Trust leased office space under a long-term non-cancelable operating lease agreement. The lease expired on August 31, 2023. The Land Trust has determined the right-of-use asset and lease liability under this agreement. The operating lease did not provide for any lease cost escalation. The Land Trust has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable.

The Land Trust has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

Total lease costs for the years ended June 30, 2024 and 2023 are \$7,800, respectively. The weighted average discount rate for the long-term lease was 5%.