

**CHERRY HILLS LAND PRESERVE
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2013 AND 2012**

CHERRY HILLS LAND PRESERVE, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of
Cherry Hills Land Preserve, Inc.

We have reviewed the accompanying statements of assets, liabilities, and fund balances—cash basis of Cherry Hills Land Preserve, Inc. (a nonprofit organization) as of December 31, 2013 and 2012, and the related statements of revenues, expenses, and other changes in fund balances—cash basis for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting, as described in Note 1.

SourceOne CPA Group

May 13, 2014

CHERRY HILLS LAND PRESERVE, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended December 31, 2013 and 2012

Note 1: Summary of Significant Accounting Policies

Nature of operations

The Cherry Hills Land Preserve (The Entity) is a non-profit entity based in Cherry Hills Village, Colorado. Incorporated in 2003, the entity's mission is to preserve the rural character of Cherry Hills Village by preserving open lands and natural areas of significant scenic, environmental, historic and recreational value.

Cash and cash equivalents

For purposes of the statements of changes in net assets, cash equivalents include time deposits and certificates of deposit with original maturities of three months or less. From time-to-time, The Entity may have cash in bank in excess of federally insured limits.

Basis of accounting

The cash method of accounting is used by The Entity for both financial and tax purposes.

Inventories

Inventory consists of a book "High on Country: A Narrative History of Cherry Hills Village", which is sold to members, the community and the general public. Inventories are stated at cost, and all inventory was produced at the same time, so no other method of valuation is necessary.

Fixed assets

Fixed assets are recorded at cost. The costs of assets disposed of and the related accumulated depreciation and amortization are eliminated from the accounts in the year of disposal. Gains or losses from property and equipment disposals are recognized in the year of disposal.

Depreciation is provided using the accelerated methods used for income tax purposes over the estimated useful lives of the assets, ranging from 3 – 7 years.

	<u>Years</u>
Computer equipment	3 – 5
Machinery and equipment	5 – 7
Office furniture and fixtures	5 – 7

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Note 1: Summary of Significant Accounting Policies (continued)

As of December 31, 2013 and 2012, The Entity had one asset, a computer, which is fully depreciated. Depreciation expense for the years ended December 31, 2013 and 2012 was \$0 and \$914, respectively.

Maintenance and repairs are charged to expense as incurred.

Income taxes

Cherry Hills Land Preserve, Inc. is exempt from tax as a 501(c)(3) charitable organization. Accordingly, no provision is made for income taxes in the financial statements.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles used in the United States 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 amounts could differ from those estimates.

Fair value of financial instruments

The carrying amounts reflected in the balance sheets for cash and cash equivalents approximate the respective fair values due to the short maturities of those instruments.

Revenue recognition

Revenue is recognized as cash and/or credit card payments are received. There are no contracts or other special considerations for recognition.

Note 2: Fund Balances

At December 31, 2013 and 2012, Cherry Hills Land Preserve has the following Fund Balances:

	<u>12/31/2013</u>	<u>12/13/2012</u>
Conservation Fund	\$ 40,000	\$40,000
Technical Assistance	0	2,500
Unrestricted Funds	<u>69,778</u>	<u>55,975</u>
Total:	<u>\$109,778</u>	<u>\$98,475</u>

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Note 2: Fund Balances (continued)

The Technical Assistance fund was depleted in 2012 as The Entity implemented changes to its website and accounting system. The Conservation Fund was established in 2007 for the purpose of supporting property owners who are working to put a conservation easement on their property, and which, when The Entity becomes a land trust organization, will also serve as a reserve to enable the protection and defense of any conservation easements held.

Note 3: Concentrations

During 2013 and 2012, The Entity had one and two individual donor(s) (respectively) considered as major contributors because their donations were more than 10% of total individual contributions. The major donor information was as follows on December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Donor A	\$5,000	\$3,000
Donor B	N/A	\$2,005

Additionally, the Barn Party/Tour represented 47% and 29% of revenues in 2013 and 2012 respectively.

Note 4: Executive Director

The Entity contracts with an outside entity to provide services as an Executive Director. Total expenses for the Executive Director in 2013 and 2012 were \$20,541 and \$18,014 respectively. Allocation of these expenses to specific programs are as follows:

	<u>2013</u>	<u>2012</u>
Land Conservation	\$9,798	\$8,446
Management Administration	9,348	8,058
Special Events	<u>1,395</u>	<u>1,510</u>
	<u>\$20,541</u>	<u>\$18,014</u>

2012 allocations to Land Conservation and Management Administration are estimates, as detailed records are not available. In 2013 the accounting was changed in order to record time and expenses spent on specific activities.

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Note 5: Subsequent Events

Events occurring after December 31, 2013 were evaluated through the date these financial statements were available to be issued, in compliance FASB ASC Topic 855 "Subsequent Events", to ensure that any subsequent events that met the criteria for recognition and/or disclosure in this report have been included. To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.