

LIBRARY OF AMERICAN LANDSCAPE
HISTORY, INC.
Financial Statements
December 31, 2011

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Directors of the
Library of American Landscape History, Inc.

I have reviewed the accompanying statement of financial position of the Library of American Landscape History, Inc. (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquired 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, I do not express such as opinion. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and in my report dated April 19, 2011; I issued an unmodified review report.

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 designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My 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 me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



February 2, 2012

Statement of Financial Position
As of December 31, 2011
With Comparative Totals as of December 31, 2010

	<u>Total</u> <u>This Year</u>	<u>Total</u> <u>Last Year</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 55,411	\$ 67,551
Royalties Receivable	2,419	1,308
Contributions Receivable	1,280	10,771
Prepaid Rent	1,300	1,256
Total Current Assets	60,410	80,886
Investments:		
	392,374	356,565
Property and Equipment:		
Educational Media (Net)	40,000	-
Website (Net)	9,500	396
Furniture and Equipment (Net)	-	90
Leasehold Improvements (Net)	-	-
Net Property and Equipment	49,500	486
Other Assets:		
Prepaid Rent and Deposits	2,456	2,412
Total Assets	\$ 504,740	\$ 440,349
Liabilities and Net Assets:		
Current Liabilities:		
Accrued Payroll Taxes	\$4,512	\$4,455
Total Current Liabilities	4,512	4,455
Net Assets:		
Unrestricted	\$ 192,531	\$ 203,993
Temporarily Restricted	307,697	231,901
Permanently Restricted	0	0
Total Net Assets	500,228	435,894
Total Liabilities and Net Assets	\$ 504,740	\$ 440,349

See accompanying notes to financial statements.

See accountant's review report.

LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.

Statement of Activities

For the Year Ended December 31, 2011

With Comparative Totals as of December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total This Year</u>	<u>Total Last Year</u>
Revenues, Gains, and Other Support					
Grants and Contributions	\$ 136,698	\$ 206,352	\$	\$ 343,050	\$ 279,392
Exhibition Fees	4,500			4,500	4,500
Royalty Revenue, Book and Print Sales	6,976			6,976	1,888
Investment Income (Loss)	(8,786)			(8,786)	28,929
Net Assets Released from Restrictions: Satisfaction of Grant and Contribution Stipulations	130,556	(130,556)			
Total Revenue, Gains, and Other Support	<u>269,944</u>	<u>75,796</u>		<u>345,740</u>	<u>314,709</u>
Expenses					
Program Services					
Books	76,204			76,204	32,690
Manuscript Development	77,273			77,273	74,846
Educational Outreach	43,508			43,508	51,373
Total Programs	<u>196,985</u>			<u>196,985</u>	<u>158,909</u>
Management & General	75,375			75,375	65,938
Fund Raising	9,046			9,046	11,494
Total Expenses	<u>281,406</u>			<u>281,406</u>	<u>236,341</u>
Change in Net Assets	(11,462)	75,796		64,334	78,368
Net Assets at Beginning of Year	<u>203,993</u>	<u>231,901</u>		<u>435,894</u>	<u>357,526</u>
Net Assets at End of Year	<u>\$ 192,531</u>	<u>\$ 307,697</u>	<u>\$ 0</u>	<u>\$ 500,228</u>	<u>\$ 435,894</u>

See accompanying notes to financial statements.

See accountant's review report.

LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.

Statement of Cash Flows

For the Year Ended December 31, 2011

	<u>Total</u>
Cash Flows from Operating Activities:	
Change in Net Assets	\$ 64,334
Adjustments to Reconcile Change in Net Assets to Net Cash Provided/(Used) by Operating Activities:	
Depreciation	486
Increase in Royalties Receivable	(1,111)
Decrease in Contributions Receivable	9,491
Increase in Prepaid Rent	(88)
Increase in Accrued Payroll Taxes	57
Realized and Unrealized Loss on Investments	17,896
Net Cash Provided/(Used) by Operating Activities	<u>91,065</u>
Cash Flows from Investing Activities:	
Additions to Property and Equipment	(49,500)
Proceeds from the sale of investments	95,140
Purchase of Investments	(148,845)
Net Cash Provided/(Used) by Investing Activities	<u>(103,205)</u>
Cash from Financing Activities:	
Net Cash Provided/(Used) by Financing Activities	<u>0</u>
Net (Decrease) in Cash and Cash Equivalents	(12,140)
Cash and Cash Equivalents at Beginning of Year	67,551
Cash and Cash Equivalents at End of Year	<u>\$ 55,411</u>

**Supplemental Data for Noncash Investing and Financing
Activities:**

Other Noncash Investing and Financing Activities	\$ -
Interest Expense	0
Income Taxes Paid	0

See accompanying notes to financial statements.

See accountant's review report.

LIBRARY OF AMERICAN LANDSCAPE HISTORY, INC.
Notes to Financial Statements
December 31, 2011

1. Description of Operations

The Library of American Landscape History, Inc. (LALH) was established as a not-for-profit corporation in 1992. The Library produces books and exhibitions relating to North American landscape history. Its mission is to educate and thereby encourage thoughtful stewardship of the land.

2. Summary of Significant Accounting Policies

a. Basis of presentation

The financial statements have been prepared using the accrual basis of accounting, in conformity with standards promulgated by the American Institute of Certified Public Accountants. The accrual method recognizes income as it is earned and expenses as they are incurred.

The LALH reports information regarding its financial position and activities according to three classes of net assets based upon the existence or absence of donor-imposed restrictions (see footnotes A, B, and C below).

Note A - Unrestricted Net Assets

These are net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulation.

Note B - Temporarily Restricted Net Assets

Net assets of a nonprofit organization which result from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled and/or removed by actions of the organization. When a temporary 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.

Note C - Permanently Restricted Net Assets

Net assets on which there are donor-imposed restrictions that neither expire by passage of time nor can be removed or fulfilled by actions of the organization.

The LALH reports contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

See accountant's review report.

Notes to financial statements

b. Program support and revenue

The LALH support consists of both restricted and unrestricted contributions and grants. Total grants and contributions amounted to \$343,050 in 2011. Of this amount, \$92,852 was received from related parties.

Exhibition fees are monies received from organizations to borrow the touring exhibitions.

In 1999, LALH began to co-publish its own books, using University of Massachusetts Press as a distributor. Under a joint agreement, net sales revenues are split between LALH and Massachusetts Press. Royalty revenues also result from agreements wherein Massachusetts Press is in the role of publisher and LALH is in the role of associate publisher. In these agreements, LALH receives royalties based on a sliding scale indexed to number of copies sold. Massachusetts Press may be paid a subvention fee to underwrite publication costs.

Book sales held at launch events also produce income.

Investment income is comprised of interest and dividends earned on cash deposits and investments, and also include realized and unrealized gains or losses on investments.

c. Promises to give

Unconditional promises to give are recognized as revenues in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

d. 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.

The company presents program service expenses in the following categories on the statement of activities:

Books: Costs associated with writers' fees, editing, proofreading, photography, indexing, design, production and promotion.

Manuscript development: Costs associated with developmental editing and acquiring new projects.

See accountant's review report.

Notes to financial statements

Educational Outreach:

Exhibition tour program: Costs associated with curating, producing, storage, rehabbing, and administering touring exhibitions organized in association with LALH books.

VIEW: Costs associated with writing, editing, proofreading, photography, design, printing, and mailing of annual magazine.

Website: Costs associated with maintaining current websites, approximately four updates per year, as well as costs incurred in developing a new website.

Film Series (Educational Media): Costs associated with developing documentary films for use on new LALH website.

During calendar year 2011, LALH carried out the following activities:

Three new books were published: *The Native Landscape Reader*, edited by Robert E. Grese (U Mass Press in association with LALH), *Design in the Little Garden* by Fletcher Steele with a new introduction by Robin Karson (LALH distributed by U Mass Press), and *Graceland Cemetery: A Design History* by Christopher Vernon (U Mass Press in association with LALH).

The Warren H. Manning Research Project continued under the direction of Jane Roy Brown. Several volume two entries were submitted.

Development of several manuscripts continued, including "The Buffalo Parks System," "Community by Design," "Arthur Shurcliff: The Road to Williamsburg," "John Nolen: A Biography," "Cornelia Oberlander," and "Segregated Parks in the South."

Two new book contracts were signed with Elizabeth Hope Cushing (Shurcliff) and Bruce Stephenson (Nolen).

A new website was developed with Florio Design to launch spring 2012.

Two documentary films were created with Hott Productions/Florentine Films for release in 2012 (*Fletcher Steele's Naumkeag* and *Designing in the Prairie Spirit*).

A Genius for Place was booked to travel to Reynolda House Museum of American Art, February – August 2012.

See accountant's review report.

Notes to financial statements

Late in 2011, LALH received \$104,500 in gifts to help underwrite a new position for a development officer, rent for the additional office space, and to make office improvements. As of December 31, 2011 none of these funds were spent yet.

VIEW 2011 was published and distributed to 5,000 recipients.

The LALH website received about 500,000 hits.

Two new directors were added to the board: Mary Carter McConnell and Cynthia Hewitt.

Two LALH directors retired from the board: Nancy R. Turner and John Franklin Miller. both became emeritus directors.

Three new officers were elected to the board: Ethan Carr (vice president), Shannon Hackett (treasurer), and Barbara Shear (clerk).

In October, LALH was represented in San Diego, California, at the annual meeting of the American Society of Landscape Architects.

e. Fund-raising costs

Fund-raising costs are comprised of direct expenses and a percentage of salary expenses. Salary allocations are based on management's estimate of time spent on various functions.

f. Cash and cash equivalents

The organization considers all short-term, highly liquid investments with remaining maturities of three months or less when purchased to be cash equivalents.

g. Allowance for uncollectible accounts

The organization performs ongoing evaluations of its receivables, maintaining allowances for potential credit losses which, when realized, have been within management's expectations. Management does not believe any allowance for doubtful accounts is necessary at December 31, 2011.

h. Investments/Fair Values of Financial Instruments

The organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities.

See accountant's review report.

Notes to financial statements

The Organization follows the provisions of FASB ASC 820-10-50-1, *Fair Value Measurements* for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a framework for the measurement of fair value, and enhances disclosures about fair value measurements (Note 6.)

i. Property and equipment

All acquisitions of property and equipment in excess of \$1,000 (except exhibition costs) and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Assets are recorded at cost, if purchased or at fair market value at time of receipt if donated. Depreciation of furniture, equipment, educational media, and the website are computed on a straight-line basis over their estimated service lives of three to five years. Leasehold improvements are amortized over the lives of the leases (see note 9).

Historically, costs associated with the production of exhibits have been expensed when incurred and were not capitalized. This policy was followed because the exhibits usually had a useful life of less than one year and had no marketable value at the end of the exhibit tour. The exhibits contain many high quality photos and plates and are the property of LALH. At the end of a tour, the organization occasionally donated exhibits to other organizations for permanent display. Production cost related to the current exhibition tour were expensed in fiscal year 2000 based on the aforementioned assumptions. The exhibition has, however, proved to be very popular and continues to tour and generate loan fees. In 2010 a \$25,000 grant was received to refurbish the exhibit (GFP Exhibit). As of December 31, 2011 \$9,542 has been spent on the refurbishment. The remainder is held for future refurbishment.

j. Estimates

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

k. Other Assets

Other assets consist of last month rent and a security deposit on the current lease.

See accountant's review report.

Notes to financial statements

3. Concentration of Cash, Receivables, Funding Sources, and Investments

LALH has cash deposits with Peoples United Bank, which has offices located in the New England area. Cash deposits in the bank are insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Concentrations of receivables exist due to the size of the receivables and the relatively small number of contributors or other organizations who owe money to the LALH at year end. The organization is dependent on a relatively limited number of granting agencies and contributors. The loss of support from a funding source would require an offsetting adjustment to the corporation's programmatic endeavors.

The organization's investments are with Merrill Lynch in a money market fund (\$102,303) and in five mutual funds (\$290,071). None of these investments are insured.

4. Contributions Receivable/Conditional Promises To Give

Contributions receivable of \$1,280 at year end consisted entirely of unrestricted contributions. Of the total receivable, \$1,000 is from related parties.

There are no conditional promises to give at December 31, 2011.

5. Property and Equipment

Fixed assets consist of the following:

Educational Media	\$ 40,000	
Less Accumulated Depreciation	<u>0</u>	
Net Educational Media		\$ 40,000
Website	\$ 25,350	
Less Accumulated Depreciation	<u>(15,850)</u>	
Net Website		9,500
Furniture and Equipment	4,433	
Less Accumulated Depreciation	<u>(4,343)</u>	
Net Equipment		0
Leasehold Improvements (See note 9 also.)	13,748	
Less Accumulated Amortization	<u>(13,748)</u>	
Net Leasehold Improvements		<u>0</u>
Net Property and Equipment		<u>\$ 49,500</u>

See accountant's review report.

Notes to financial statements

In 2011, \$40,000 of educational media and \$9,500 of website costs (for the new website) were capitalized. At December 31, 2011 these assets were not yet in service. LALH expects the assets to be placed in service during 2012.

Depreciation expense in the current period amounted to \$486.

6. Investments:

In 2004, the board of directors voted to establish a long term savings fund. The fund was created by depositing \$45,000 into an investment account in 2004 with additional monies added or withdrawn each year since then. The balance of the account (including purchases, dividend reinvestments, and realized and unrealized gains and losses) at December 31, 2011 was \$392,374. The majority of this account currently consists of temporarily restricted contributions. These monies are held in the account until they are needed to fund a project. When funds are needed for a project or general operations, an investment is sold and money is transferred to the Organization's regular checking account.

Investment return is summarized as follows:

Investment income	\$ 9,110
Realized loss on investments	(1,062)
Unrealized loss on investments	<u>(16,834)</u>
Total unrestricted investment income	<u>\$ (8,786)</u>

The Organization follows FASB ASC 820-10-50-1 for fair value measurements of investments that are recognized and disclosed at fair value in the financial statements on a recurring basis. These standards establish 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 measurements) and the lowest priority to measurement involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) for identical investments in active markets.
- Level 2 inputs are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 are model derived valuations in which one or more significant inputs or significant value drivers are unobservable.

See accountant's review report.

Notes to financial statements

In certain cases, the inputs to measure fair value may result in an asset or liability falling into more than one level of the fair value hierarchy. In such cases, the determination of the classification of an asset or liability within the fair value hierarchy is based on the least determinate input that is significant to the fair value measurement.

The following table represents investments that are measured at fair value on a recurring basis at December 31, 2011:

Fair Value Measurements at December 31, 2011

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	290,071	0	0
Money Market Funds	<u>102,303</u>	<u>0</u>	<u>0</u>
Total investments	\$ <u>392,374</u>	\$ <u>0</u>	\$ <u>0</u>

For the valuation of certain mutual funds and money market funds the Organization used quoted prices in principal active markets for identical assets as of the value date (Level 1).

7. Restrictions on Net Assets

Temporarily restricted net assets received during the year consist of the following:

Books		
Stephenson	\$ 20,000	
Morgan	17,500	
Kowsky	<u>6,000</u>	
Total Books	43,500	\$43,500
Development Director		75,000
Educational Media		50,000
Office Rent		25,000
Office Improvement		4,500
Website		3,500
Misc. Projects		<u>4,852</u>
Total Temp. Restricted Net Assets Received		<u>\$ 206,352</u>

See accountant's review report.

Notes to financial statements

Temporarily restricted net assets released during the year consist of the following:

Books		
Vernon	\$ 19,243	
Grese	16,200	
Steele Reprint	13,500	
Manning	13,360	
Cushing	7,806	
Kowsky	5,375	
Stephenson	<u>720</u>	
Total Books	76,204	\$76,204
Film Series/Educational Media		40,000
Website		9,500
Misc. Projects		<u>4,852</u>
Total Temp. Restricted Net Assets Released		<u>\$130,556</u>

Temporarily restricted net assets at December 31, 2011 consist of the following projects or purpose:

Books		
Kowsky	\$25,550	
Manning	23,071	
Stephenson	19,280	
Morgan	17,500	
Antonetti	1,000	
Nadenicek	(1,016)	
Rose	(1,094)	
Vernon	(6,833)	
Cushing	<u>(7,806)</u>	
Total Books	69,650	\$69,650
Development Director		75,000
Modern Landscape Design Series		49,000
Environmental Series		25,000
Parks Series		25,000
Office Rent		25,000
GFP Exhibit		15,547
Educational Media		10,000
Website		9,000
Office Improvements		<u>4,500</u>
Total Temporary Restricted Net Assets		<u>\$307,697</u>

See accountant's review report.

Notes to financial statements

8. Income Taxes

The Internal Revenue Service (IRS) has determined that the corporation is exempt from federal income taxes under Internal Revenue Code section 501(c)(3). In addition, it has been determined that the corporation is not a private foundation within the meaning of Section 509(a) of the Code. It is also exempt from state income taxes.

The Organization has adopted the recognition requirements for uncertain tax positions as required by generally accepted accounting principles. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. Based on management's evaluation, adoption of the rules does not have a material effect on the Organization's financial statements. Further, no interest or penalties have been accrued or charged to expense as of December 31, 2011. Under federal and state tax laws, prior year's tax returns generally remain open for audit for a period of three years. At December 31, 2011, this would include filings for 2010, 2009, and 2008.

9. Commitments/Leases

The organization had a lease for office space commencing December 1, 2004 and ending November 30, 2007. The total rent to be paid over the three year period was \$41,040 at a rate of \$1,140 per month. In November, 2007 the lease was extended until November 30, 2010. Total rent to be paid over the extended lease agreement was \$43,416 at a rate of \$1,206 per month. In 2004 and 2005 the LALH made \$13,748 in leasehold improvements to the property which was amortized over the original lease term. When the lease expired on November 30, 2010 the Organization became a tenant at will. In January, 2011, the Organization extended the basic provisions of the old lease until January 31, 2014. The extended lease is for \$1,300 per month and includes office and storage space. In February 2012, the organization made an amendment to the existing lease agreement to rent additional office space at a rate of \$700 per month. The total rent per month will be \$2,000 going forward. The organization intends to make additional leasehold improvements of approximately \$4,500 in 2012. The total rent commitment is scheduled to be as follows:

2012	\$23,300
2013	24,000
2014	<u>2,000</u>
Total	\$ 49,300

Total rent expense for the year was \$15,600.

See accountant's review report.

Notes to financial statements

10. Retirement Plan

In 1998, the organization adopted a SIMPLE retirement plan. The plan allows any employee who has earned at least \$5,000 in the past year, to generally contribute up to \$12,000 to the plan under a salary reduction agreement. An individual retirement account is established for each employee who decides to participate in the plan. All contributions are immediately vested in the employee. The organization will match employee contributions up to the lesser of 3% of gross pay or the elective contribution for any participating employee. The cost to the organization for the year ended December 31, 2011, was \$3,450.

11. Donated Services

The individuals who provide services in their capacity as members of the board of directors of the corporation do so for no monetary consideration. Their contributions of time and effort are incapable of value estimation. No amounts have been recognized in the statement of activities because the criteria for recognition under current accounting standards have not been satisfied.

12. 2010 Prior Year Summarized Financial Information

The amounts shown for 2010 in certain selected financial statements are included to provide a basis of comparison with 2011 and present summarized totals only. The 2010 amounts are derived from reviewed financial information and are not intended to present all information necessary for a fair presentation in accordance with the accounting principles described in note 2. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended December 31, 2010 from which the summarized information was derived.

13. Related Party Transactions

In addition to other details disclosed in these footnotes regarding related parties, the LALH paid related parties \$3,750 for photography and other services in 2011.

14. Subsequent Events

The Organization has evaluated subsequent events through February 2, 2012, which is the date these financial statements were available to be issued.

See accountant's review report.