

# MARLOW AND MASSONI

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CERTIFIED PUBLIC ACCOUNTANTS  
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## Independent Auditor's Report

To Matter Of Trust, Inc.

We have audited the accompanying statement of assets, and fund balance cash basis of Matter of trust, Inc. a Connecticut corporation as of December 31, 2007, and the related statement of revenue and expenses cash basis for the year then ended. These financial statements are the responsibility of Matter of Trust, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also included assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects the assets, fund balance and revenue and expense for the year then ended, on the basis of accounting described in Note 1.



Marlow and Massoni CPAs  
San Francisco, California

February 18, 2008

**Matter of Trust, Inc.**  
**Statement of Assets, and Changes in Fund Balance**  
**Cash Basis as of December 31, 2007**

**Assets**

Cash in Bank	\$ 13,289
Total Assets	<u>\$ 13,289</u>

**Fund Balance**

**Unrestricted**

Beginning of Year	\$ 540
Net Increase	<u>12,749</u>
End of Year	<u>\$ 13,289</u>
Total Fund Balance	<u>\$ 13,289</u>

See accompanying notes and accountants' audit report.

**Matter of Trust, Inc.**  
**Statement of Revenues and Expenses**  
**Cash Basis as of December 31, 2007**

**Income**

Contributions	\$ 14,317	
Grants	<u>288,959</u>	\$ 303,277

**Program Expenses**

Manmade Surplus	\$ 9,951	
Eco-Education	246,875	
Natural Surplus	<u>26,165</u>	282,990

**Administrative Expenses**

Auto	\$ 1,578	
Bank Charges	409	
Insurance	424	
Internet	1,713	
Office supplies	1,278	
Taxes	10	
Telephones	1,396	
Utilities	<u>730</u>	<u>7,538</u>

**Net Increase in Unrestricted Assets** \$ 12,749

See accompanying notes and accountants' audit report.

## **NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION AND ACTIVITY** – Matter of Trust, Inc. is a nonprofit Connecticut corporation chartered on November 25, 1998 for the purpose of broadening awareness, appreciation and understanding of ecology, the need for manmade material waste stream reduction, and promotion of usage of sustainable and sufficient natural materials. The organization’s programs include manmade surplus donation / wish matching, natural material research, solutions and implementation for cleaner air, water and soil, and educational tools for ecological and social projects that are successful and can be replicated. Matter of Trust, Inc is also the incubator for new programs sharing the same mission and vision.

Mission Statement: Matter of Trust, Inc. links ideas, sparks action and materializes sustainable systems through programs that focus on manmade surplus, natural surplus, and eco-education.

**PROGRAMS** - MofT has the following programs:

### *MANMADE SURPLUS:*

Reuse of Society’s Abundance (ROSA) – 1998-Present Online system that matches business and household item donations with the wish lists of nonprofits near them that can provide pick-ups throughout the US.

### *NATURAL SURPLUS:*

CytoCulture / SFE Biodiesel For MUNI - 2005-2007 Biodiesel feasibility study for the San Francisco Municipal Bus System. Using local, recycled, restaurant grease, instead of petroleum, to make diesel fuel for buses.

Oil Spill Hair Mats – 2000-Present Program that accepts human hair clippings from hair salons throughout the US. Hair can be made into mats that are extremely efficient at soaking up petroleum oil spills in oceans, harbors and the drips pans under leaky cars and machinery.

Oily Hair Mat Eating Mushrooms / SF Bay Area Treatability Study - 2007-Present Program located at the Presidio San Francisco compost site, researching the breakdown of hydro-carbons (oil) in the oil soaked hairmats. The hydro-carbon bonds are broken and rearranged into carbo-hydrate compost naturally by mushroom roots (mycelium). Matter of Trust, Inc. is the lead organization for this “mycoremediation” project in partnership with Fungi.com, Mycological Society of San Francisco, Presidio Trust, Smartgrow.net and many others.

### *ECO-EDUCATION:*

**Film:** “Fields Of Fuel” Documentary - 2003-Present Matter of Trust is the fiscal sponsor for Veggie Van.org. “Fields of Fuel” won the Audience Award at Sundance Film

Festival January 2008. Josh Tickell, lecturer, author, documentarian traveled across the US in his biodiesel van, filling up on Mc Donald's french fry oil.

**Art:** "Solar Peace Sculpture" - 2007-Present Matter of Trust is the fiscal sponsor for Artist Fred George is creating a giant peace sign out of oil barrels and solar panels, to be displayed in New York.

**Course:** Betty Biodiesel - Biofuels4Schools - 2007-Present Matter of Trust, Inc. is the fiscal sponsor for Lindsay Hassett who travels to schools and educations classrooms on the benefits of clean energy.

**Course:** Peace of Mind Kits – 2006-present The ecological alternative to the "Disaster Kit". Peace of Mind kits inform and prepare instead of react and frighten. This kit provides luxurious, off-grid lifestyle ideas that provide comfort even in times of crisis.

**Course:** "Pipeline" Powerpoint - 2000-Present The ecological history of petroleum.

**Campaign:** Green Energy Month (GEM) - 2007 Awareness campaign to collect 100 Million Green Energy Month commitments to a brighter, greener future.

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

**BASIS OF ACCOUNTING** – The organization's policy is to prepare its financial statements on the cash basis of accounting; consequently revenues are recognized when received rather than when earned, and expenses and purchase of assets are recognized when cash is disbursed rather than when the obligation is incurred.

A substantial number of unpaid volunteers have made a significant contribution of their time to the organization. The value of their time is not reflected in these financial statements because it is not susceptible to objective measurement and valuation.

**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.

**CONTRIBUTIONS & GRANTS** – the organization adopted the SFAS No. 116 "Accounting for Contributions, Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**INCOME TAXES** – MofT is exempt from Federal income taxes under Section 501 (c)(3) of the Internal Revenue Code.

**FUNCTIONAL EXPENSES** – Expenses are charged directly to the program or management in general categories based on specific identification. Indirect expenses have been allocated based on analysis of personnel time utilized for the related activity.

**ADVERTISING** – The organization expenses outreach costs as they are incurred. No advertising charges were incurred this year. Outreach is achieved through press coverage at no cost to the charity.