

SQUAM LAKES ASSOCIATION  
FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION

Years ended December 31, 2017 and 2016

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Squam Lakes Association  
Holderness, New Hampshire 03245

We have audited the accompanying financial statements of Squam Lakes Association (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities and changes in net assets and cash flows for the years 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 controls 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**

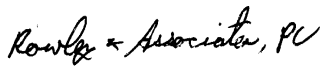
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 controls relevant to the entity'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 entity's internal controls. 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Squam Lakes Association as of December 31, 2017 and 2016 and the statements of activities and 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.

  
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Rowley & Associates, P.C.  
Concord, New Hampshire  
July, 27, 2018

**SQUAM LAKES ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 and 2016**  
**See Independent Auditors' Report**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash, unrestricted	\$ 611,171	\$ 405,832
Cash, temporarily restricted	-	77,321
Investments	3,135,590	2,835,120
Accounts receivable	18,320	2,758
Prepaid expenses	12,591	-
Merchandise inventory	11,211	12,019
Total Current Assets	<u>3,788,883</u>	<u>3,333,050</u>
PROPERTY AND EQUIPMENT, at cost		
Land and improvements	3,285,349	3,270,397
Building and improvements	1,804,101	1,800,535
Equipment, vehicles and watercraft	279,223	279,223
	<u>5,368,673</u>	<u>5,350,155</u>
Less: accumulated depreciation	976,231	917,048
	<u>4,392,442</u>	<u>4,433,107</u>
 Total Assets	 <u><u>8,181,325</u></u>	 <u><u>7,766,157</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	13,430	11,276
Note payable, current portion	7,500	7,500
Total Current Liabilities	<u>20,930</u>	<u>18,776</u>
LONG-TERM LIABILITIES		
Note payable, less current portion	<u>85,625</u>	<u>93,125</u>
Total Current & Long-Term Liabilities	<u>106,555</u>	<u>111,901</u>
COMMITMENTS AND CONTINGENCIES (See Notes)		
NET ASSETS		
Unrestricted	8,074,770	5,462,669
Temporarily restricted	-	2,191,587
	<u>8,074,770</u>	<u>7,654,256</u>
 Total Liabilities and Net Assets	 <u><u>\$ 8,181,325</u></u>	 <u><u>\$ 7,766,157</u></u>

See Notes to Financial Statements

**SQUAM LAKES ASSOCIATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2017**  
**See Independent Auditors' Report**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Dues	\$ 131,701	\$ -	\$ 131,701
Contributions	178,146	12,805	190,951
Grants	37,796	26,067	63,863
Interest and dividend income	32,471	37,322	69,793
Change in net unrealized loss on investments	183,275	210,652	393,927
Net realized on investments	11,894	13,670	25,564
Program fees	246,843	-	246,843
Rental income	14,658	-	14,658
Gift shop Income, net expenses of \$17,602	7,257	-	7,257
Total revenues, gains and other support	<u>844,041</u>	<u>300,516</u>	<u>1,144,557</u>
Net assets released from donor imposed restrictions	<u>2,492,103</u>	<u>(2,492,103)</u>	<u>-</u>
Expenses and losses:			
Outreach and recreation	125,600	-	125,600
Conservation and education	121,792	-	121,792
Natural Areas	363,862	-	363,862
Total Program Services costs	<u>611,254</u>	<u>-</u>	<u>611,254</u>
General Operations	108,674	-	108,674
Fundraising	4,115	-	4,115
	<u>724,043</u>	<u>-</u>	<u>724,043</u>
Increase (decrease) in net assets	2,612,101	(2,191,587)	420,514
Net assets, beginning of year	<u>5,462,669</u>	<u>2,191,587</u>	<u>7,654,256</u>
Net assets, end of year	<u>\$ 8,074,770</u>	<u>\$ -</u>	<u>\$ 8,074,770</u>

See Notes to Financial Statements

**SQUAM LAKES ASSOCIATION**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2016**  
**See Independent Auditors' Report**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Dues	\$ 141,200	\$ -	\$ 141,200
Contributions	166,610	11,616	178,226
Grants	42,534	-	42,534
Interest and dividend income	9,586	28,160	37,746
Change in net unrealized loss on investments	(3,379)	(437,793)	(441,172)
Net realized gain on investments	169,065	458,930	627,995
Program fees	242,655	-	242,655
Rental income	14,020	-	14,020
Gift shop Income, net expenses of \$3,112	26,275	-	26,275
Total revenues, gains and other support	<u>808,566</u>	<u>60,913</u>	<u>869,479</u>
Net assets released from donor imposed restrictions	<u>11,616</u>	<u>(11,616)</u>	<u>-</u>
Expenses and losses:			
Outreach and recreation	125,875	-	125,875
Conservation and education	115,172	-	115,172
Natural Areas	356,328	-	356,328
Total Program Services costs	<u>597,375</u>	<u>-</u>	<u>597,375</u>
General Operations	106,848	-	106,848
Fundraising	4,041	-	4,041
	<u>708,264</u>	<u>-</u>	<u>708,264</u>
Increase in net assets	111,918	49,297	161,215
Net assets, beginning of year	<u>5,406,821</u>	<u>2,142,290</u>	<u>7,549,111</u>
Prior period adjustment	<u>(56,070)</u>	<u>-</u>	<u>(56,070)</u>
Net assets, end of year	<u>\$ 5,462,669</u>	<u>\$ 2,191,587</u>	<u>\$ 7,654,256</u>

See Notes to Financial Statements

**SQUAM LAKES ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2017 and 2016**  
**See Independent Auditors' Report**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ 420,514	\$ 161,215
Adjustments to reconcile change in net assets to net unrestricted cash provided by operating activities:		
Change in temporarily restricted cash	77,321	185,213
Depreciation	59,183	59,292
Net realized (gain) on investments	(25,564)	(627,995)
Net unrealized (gain) loss on investments	(393,927)	441,172
Interest and dividend income	(69,793)	(37,746)
(Increase) decrease in operating assets:		
Accounts receivable	(15,562)	(762)
Prepaid expenses	(12,591)	-
Merchandise Inventory	808	(17,212)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	2,154	1,731
	<u>42,543</u>	<u>164,908</u>
Net cash provided by operating activities	42,543	164,908
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash paid for property and equipment	(18,518)	(9,252)
Net repayment on note payable	(7,500)	(7,500)
Interest and dividend income	69,793	37,746
Proceeds from sale of investments	199,130	2,421,939
Purchase of investments	(80,109)	(2,582,029)
	<u>162,796</u>	<u>(139,096)</u>
Net cash provided (used) by investing activities	162,796	(139,096)
Net increase in unrestricted cash	205,339	25,812
Unrestricted cash, beginning of year	<u>405,832</u>	<u>380,020</u>
Unrestricted cash, end of year	<u>\$ 611,171</u>	<u>\$ 405,832</u>

See Notes to Financial Statements

**SQUAM LAKES ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 2017 and 2016**  
**See Independent Auditors' Report**

Note 1. Nature of Association

The Squam Lakes Association (SLA) is a nonprofit organization dedicated to conserving for public benefit the natural beauty, peaceful character and resources of the Squam Lakes Watershed in New Hampshire. The Association's programs and activities are designed to further its mission.

Note 2. Significant Accounting Policies

Basis of Presentation: The SLA 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.

Unrestricted net assets represent the revenues and expenses associated with the principal mission of the SLA and assets allocated by the Board of Directors for a particular purpose, principally to support conservation activities applicable to the Squam Lakes and their watershed. These funds may be reallocated by a vote of the Board of Directors.

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met.

Permanently restricted net assets include gifts which require by donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations or other designated purposes. There were no permanently restricted net assets at December 31, 2017 and 2016, respectively.

Revenue recognition: The financial statements of Squam Lakes Association reflect the accrual method of accounting.

Capitalization policy: Expenditures for additions, renewals and betterments of property and equipment, unless of relatively minor amount, are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or sale, the cost of the assets disposed of and the related accumulated depreciation are removed from the accounts and any gain or loss is included in other income in the period in which the asset is disposed.

Depreciation is computed using the straight-line method over the following useful lives:

	<u>Years</u>
Land improvements	10 - 20
Buildings and improvements	10 - 39
Equipment, vehicles and watercraft	3 - 10

Property and Equipment are carried at cost. Depreciation expense was \$59,183 and \$59,292 in 2017 and 2016, respectively.



**SQUAM LAKES ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 2017 and 2016**  
**See Independent Auditors' Report**

Note 2. Significant Accounting Policies (Continued)

Estimates and assumptions: Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results may differ from these estimates.

Investments: Investments are stated at fair-market value. The net realized and unrealized gains (losses) on investments are reflected in the statement of activities.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Gifts and donations: Gifts and donations received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or restriction purpose 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.

Gifts and donations of investments or equipment are recorded at fair-market value on the date of the gift.

Donations of long-lived assets: The SLA records donations of services and materials which increase long-lived assets at their fair values and recognizes these revenues as increases in unrestricted net assets.

Cash and cash equivalents: For purposes of reporting cash flows, the SLA considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, excluding amounts the use of which is limited by Board designation or restriction. At December 31, 2017 and 2016, the SLA had no cash equivalents.

Income taxes: The SLA is a not-for-profit corporation under Section 501c (3) of the Internal Revenue Code, is exempt from federal income taxes, and is classified as other than a private foundation.

The SLA is liable for taxes on unrelated business taxable income. Management does not believe there has been any unrelated business taxable income

Inventory: Inventory of gift shop merchandise and supplies is based on physical counts, and valued using the lower of cost or market using the first-in, first-out (FIFO) method.

**SQUAM LAKES ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 2017 and 2016**  
**See Independent Auditors' Report**

Note 3. Investments

Investments are presented in the financial statements at fair-market value. Investments at December 31, 2017 and 2016 are composed of the following:

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Equity mutual funds	\$ 770,126	\$ 961,008	\$ 654,632	\$ 776,741
Bond mutual funds	666,625	744,637	740,235	716,554
Exchange traded funds	<u>1,147,705</u>	<u>1,429,945</u>	<u>1,282,740</u>	<u>1,341,825</u>
Total	<u>\$2,584,456</u>	<u>\$3,135,590</u>	<u>\$2,677,607</u>	<u>\$2,835,120</u>

The Association maintained two funds. The total investment return for these funds are provided on pages 15 and 16 of the Financial Statements for the years ended December 31, 2017 and 2016, respectively. The two funds were merged in October 2017 into one fund named the Squam Lakes Fund and all temporarily restricted balances were released from restriction.

Total investment return on investments as of December 31 is summarized as follows:

	<u>2017</u>	<u>Temporarily</u>		<u>Total</u>
		<u>Unrestricted</u>	<u>Restricted</u>	
Interest and dividend income	\$ 32,471	\$ 37,322	\$ 69,793	
Realized & unrealized gain	<u>195,169</u>	<u>224,322</u>	<u>419,491</u>	
	<u>\$ 227,640</u>	<u>\$ 261,644</u>	<u>\$ 489,284</u>	
Withdrawals in accordance with spending policy	<u>\$ -</u>	<u>\$ (16,149)</u>	<u>\$ (16,149)</u>	
	<u>2016</u>	<u>Temporarily</u>		<u>Total</u>
		<u>Unrestricted</u>	<u>Restricted</u>	
Interest and dividend income	\$ 9,586	\$ 28,160	\$ 37,746	
Realized & unrealized gain	<u>165,686</u>	<u>21,137</u>	<u>186,823</u>	
	<u>\$ 175,272</u>	<u>\$ 49,297</u>	<u>\$ 224,569</u>	
Withdrawals in accordance with spending policy	<u>\$ -</u>	<u>\$ (11,616)</u>	<u>\$ (11,616)</u>	

FASB Accounting Standards Codification Topic 820-10 *Fair Value Measurements* defines fair value, requires expanded disclosures about fair value measurements, and establishes a three-level hierarchy for fair value measurements based on the observable inputs to the valuation of an asset or liability at the measurement date. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly

**SQUAM LAKES ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 2017 and 2016**  
**See Independent Auditors' Report**

Note 3. Investments (Continued)

transaction between market participants at the measurement date. It prioritizes the inputs to the valuation techniques used to measure fair value by giving the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurement).

Under Topic 820-10, the three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the assets or liabilities.

Level 3 inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

All investments are measured at Level 1. Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets. None of the investments are Level 2 or Level 3 investments.

The Association maintains individual and pooled investments containing both restricted and unrestricted funds. Investment income, gains, losses, and management fees of any pool are allocated to activities based on each activity's pro-rata share (on dollar and time basis) in the pool. Investments in marketable equity securities and marketable debt securities are carried at fair market value determined by "quoted market prices" per unit (share) as of the balance sheet date. Donated investments are recorded at the "fair market value" as of the date of receipt. Investment income, realized and unrealized gains, losses, dividends and interest income included in unrestricted activities are recorded as operating activities. Investment interest and dividend income included in restricted activities is added to, or deducted from, the appropriate activity.

Investment Return Objectives, Risk Parameters and Strategies

The purpose of the Squam Lake Fund is to promote the general purposes of the Association by dedicating and applying income to help support the operations of the Association and principal to acquire lands or interest in land in towns within the Squam Lakes watershed for conservation and protection or which further the mission of the Association.

Spending Policy

The spending policy is to take distributions of annual amounts not to exceed 6% of the trailing eight quarter average of value of the fund assets. Distributions or borrowings against the Squam Lakes Fund may be authorized for acquisition of lands or interests in lands, subject to restrictions set forth by the Board.

**SQUAM LAKES ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 2017 and 2016**  
**See Independent Auditors' Report**

Note 4. Net Assets

The SLA's net assets are comprised of unrestricted and temporarily restricted net assets.

Unrestricted assets represent resources available for the principal mission of the SLA. Included in unrestricted assets are assets which have been designated by the Board of Directors for the acquisition of property and equipment to support the SLA's conservation activities. Unrestricted net assets amounted to \$8,074,770 and \$5,462,669 in 2017 and 2016, respectively.

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met. Temporarily restricted net assets amounted to \$0 and \$2,191,587 in 2017 and 2016, respectively.

Note 5. Retirement Plan

The SLA offers a SIMPLE IRA plan which is available to all employees who have received at least \$5,000 in compensation in any one previous year and are expected to receive at least \$5,000 during the current year. Employer contributions equal the amount of the elective deferrals but not more than 3% of compensation received. Employer contributions for December 31, 2017 and 2016 totaled \$7,187 and \$8,540, respectively.

Note 6. Concentration of Risk

The SLA maintains cash balances in several accounts at a local bank. These accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2017 and 2016 the SLA had no uninsured cash balances.

Note 7. Tax Exempt Status

The SLA is a public charity exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code. The organization is not aware of any activity during the past year that would have any impact on its tax exempt status at either the state or Federal level. The SLA reports its activities to the IRS in an annual information return. These filings are subject to review by the taxing authorities and the federal income tax returns for 2017, 2016, and 2015 are subject to examination by the IRS, generally for three years after they were filed.

In accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, the SLA is under the opinion that there are no unsustainable positions that have been taken in regards to federal or state income tax reporting requirements. Accordingly, management is not aware of any unrecognized tax benefits or liabilities that should be recognized in the accompanying statements.

**SQUAM LAKES ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 2017 and 2016**  
**See Independent Auditors' Report**

Note 8. Note Payable and Rental Agreement

A tenant, Squam Lakes Conservation Society (SLCS), of the Association made improvements to occupancy space. In 2012 an agreement between the SLA and SLCS was finalized, which calls for gross rents receivable to the SLA in monthly amounts of \$912. The agreement also references a note payable by the SLA to SLCS with monthly payments due of \$625 for twenty years (\$7,500 per annum) and zero percent interest. The SLA credits rents due from SLCS resulting in net rent due of \$287 per month.

Note payable as of December 31:

	<u>2017</u>	<u>2016</u>
Short Term	\$ 7,500	\$ 7,500
Long Term	<u>85,625</u>	<u>93,125</u>
	<u>\$ 93,125</u>	<u>\$100,625</u>

Rental income received from SLCS totaled \$10,950 for each of the years ended December 31, 2017 and 2016, respectively.

Note 9. Rental Agreement

The SLA also has a three year rental agreement with a local non-profit, the Chocorua Chapel Association, beginning January 2011 and expiring December 31, 2013. The agreement was renewed for another three years on January 1, 2014. The rental agreement includes office support, office equipment, building use and bookkeeping services provided by the SLA. The monthly rent is \$185. Rental income relating to the non-profit totaled \$2,220 and \$2,220 for the years ended December 31, 2017 and 2016, respectively.

Note 10. Subsequent Event

Management has evaluated whether subsequent events through, July, 27, 2018, the date on which the financial statements are available to be issued, are of such significance to require disclosure. It has been determined that no subsequent events matching this criterion occurred during this period.

Note 11. Prior Period Adjustment

During the current year it was determined that the recorded value of merchandise inventory was overstated in prior years. A prior period adjustment of \$(56,070) was made to properly state the value of merchandise inventory as of December 31, 2016.

**ROWLEY & ASSOCIATES, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION

To the Board of Directors  
Squam Lakes Association  
Holderness, New Hampshire 03245

Our report on our audit of the basic financial statements of Squam Lakes Association as of and for the years ended December 31, 2017 and 2016, dated July, 27, 2018, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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Rowley & Associates, P.C.  
Concord, New Hampshire  
July, 27, 2018

**SQUAM LAKES ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION, DETAIL**  
**December 31, 2017**

<b>ASSETS</b>	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash	\$ 611,171	\$ -	\$ 611,171
Investments	3,135,590	-	3,135,590
Accounts receivable	18,320	-	18,320
Prepaid expenses	12,591	-	12,591
Merchandise inventory	11,211	-	11,211
Total Current Assets	<u>3,788,883</u>	<u>-</u>	<u>3,788,883</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land and improvements	3,285,349	-	3,285,349
Building and improvements	1,804,101	-	1,804,101
Equipment, vehicles and watercraft	279,223	-	279,223
	<u>5,368,673</u>	<u>-</u>	<u>5,368,673</u>
Less accumulated depreciation	976,231	-	976,231
	<u>4,392,442</u>	<u>-</u>	<u>4,392,442</u>
Total Assets	<u>8,181,325</u>	<u>-</u>	<u>8,181,325</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	13,430	-	13,430
Note payable, current portion	7,500	-	7,500
Total Current Liabilities	<u>20,930</u>	<u>-</u>	<u>20,930</u>
<b>LONG-TERM LIABILITIES</b>			
Note payable, less current portion	<u>85,625</u>	<u>-</u>	<u>85,625</u>
<b>NET ASSETS</b>			
Unrestricted	8,074,770	-	8,074,770
Temporarily restricted	-	-	-
	<u>8,074,770</u>	<u>-</u>	<u>8,074,770</u>
Total Liabilities and Net Assets	<u>\$ 8,181,325</u>	<u>\$ -</u>	<u>\$ 8,181,325</u>

See Independent Auditors' Report on Supplementary Information and Notes to Financial Statements

**SQUAM LAKES ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION, DETAIL**  
**December 31, 2016**

<b>ASSETS</b>	<u><b>Unrestricted</b></u>	<u><b>Temporarily Restricted</b></u>	<u><b>Total</b></u>
<b>CURRENT ASSETS</b>			
Cash	\$ 405,832	\$ 77,321	\$ 483,153
Investments	720,854	2,114,266	2,835,120
Accounts receivable	2,758	-	2,758
Merchandise Inventory	12,019	-	12,019
Total Current Assets	<u>1,141,463</u>	<u>2,191,587</u>	<u>3,333,050</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land and improvements	3,270,397	-	3,270,397
Building and improvements	1,800,535	-	1,800,535
Equipment, vehicles and watercraft	279,223	-	279,223
	<u>5,350,155</u>	<u>-</u>	<u>5,350,155</u>
Less accumulated depreciation	917,048	-	917,048
	<u>4,433,107</u>	<u>-</u>	<u>4,433,107</u>
 Total Assets	 <u>5,574,570</u>	 <u>2,191,587</u>	 <u>7,766,157</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	11,276	-	11,276
Note payable, current portion	7,500	-	7,500
Total Current Liabilities	<u>18,776</u>	<u>-</u>	<u>18,776</u>
<b>LONG-TERM LIABILITIES</b>			
Note payable, less current portion	<u>93,125</u>	<u>-</u>	<u>93,125</u>
<b>NET ASSETS</b>			
Unrestricted	5,462,669	-	5,462,669
Temporarily restricted	-	2,191,587	2,191,587
	<u>5,462,669</u>	<u>2,191,587</u>	<u>7,654,256</u>
 Total Liabilities and Net Assets	 <u>\$ 5,574,570</u>	 <u>\$ 2,191,587</u>	 <u>7,766,157</u>

See Independent Auditors' Report on Supplementary Information and Notes to Financial Statements



**SQUAM LAKES ASSOCIATION  
STATEMENT OF ACTIVITIES DETAIL  
YEAR ENDED DECEMBER 31, 2017**

See Independent Auditors' Report on the Supplementary Information

	Unrestricted				Temporarily Restricted			Total	
	Undesignated	Board Designated			Special Projects	Squam Fund	Subtotal		
	Operating Fund	Conservation Fund	Squam Lakes Fund	Property Fund					Subtotal
Revenue and gains and other support:									
Dues	\$ 131,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,701	
Contributions	178,146	-	-	-	12,805	-	12,805	190,951	
Grants	37,796	-	-	-	26,067	-	26,067	63,863	
Interest and dividend income	2,304	17,727	12,440	-	-	37,322	37,322	69,793	
Change in net unrealized loss on investments	13,001	100,057	70,217	-	-	210,652	210,652	393,927	
Net unrealized gain on investments	844	6,493	4,557	-	-	13,670	13,670	25,564	
Program fees	246,843	-	-	-	246,843	-	-	246,843	
Rental income	14,658	-	-	-	14,658	-	-	14,658	
Gift shop Income, net	7,257	-	-	-	7,257	-	-	7,257	
Total revenues, gains and other support	<u>632,550</u>	<u>124,277</u>	<u>87,214</u>	<u>-</u>	<u>844,041</u>	<u>38,872</u>	<u>261,644</u>	<u>300,516</u>	<u>1,144,557</u>
Net assets released from donor imposed restrictions	<u>3,378,987</u>	<u>(886,884)</u>	<u>3,048,376</u>	<u>-</u>	<u>2,492,103</u>	<u>(38,872)</u>	<u>(2,453,231)</u>	<u>(2,492,103)</u>	<u>-</u>
Expenses and losses:									
Outreach and recreation	125,600	-	-	-	125,600	-	-	-	125,600
Conservation and education	121,792	-	-	-	121,792	-	-	-	121,792
Natural Areas	363,862	-	-	-	363,862	-	-	-	363,862
Total Program Services costs	<u>611,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611,254</u>
General Operations	108,674	-	-	-	108,674	-	-	-	108,674
Fundraising	4,115	-	-	-	4,115	-	-	-	4,115
Total Expenses	<u>724,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>724,043</u>
Net increase (decrease) in net assets	3,287,494	(762,607)	3,135,590	-	2,612,101	-	(2,191,587)	(2,191,587)	420,514
Net Assets, beginning of year	<u>707,231</u>	<u>762,607</u>	<u>-</u>	<u>3,992,831</u>	<u>5,462,669</u>	<u>-</u>	<u>2,191,587</u>	<u>2,191,587</u>	<u>7,654,256</u>
Net Assets, end of year	<u>\$ 3,994,725</u>	<u>\$ -</u>	<u>\$ 3,135,590</u>	<u>\$ 3,992,831</u>	<u>\$ 8,074,770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,074,770</u>

See Notes to Financial Statements

**SQUAM LAKES ASSOCIATION**  
**STATEMENT OF ACTIVITIES DETAIL**  
**YEAR ENDED DECEMBER 31, 2016**

See Independent Auditors' Report on the Supplementary Information

	Unrestricted			Subtotal	Temporarily	Total
	Undesignated	Board Designated			Restricted	
	Operating Fund	Conservation Fund	Property Fund		Squam Fund	
Revenue and gains and other support:						
Dues	\$ 141,200	\$ -	\$ -	\$ 141,200	\$ -	\$ 141,200
Contributions	166,610	-	-	166,610	11,616	178,226
Grants	42,534	-	-	42,534	-	42,534
Interest and dividend income	-	9,586	-	9,586	28,160	37,746
Change in net unrealized loss on investments	-	(3,379)	-	(3,379)	(437,793)	(441,172)
Net realized gain on sale of investments	-	169,065	-	169,065	458,930	627,995
Program fees	242,655	-	-	242,655	-	242,655
Rental income	14,020	-	-	14,020	-	14,020
Gift shop Income, net	26,275	-	-	26,275	-	26,275
Total revenues, gains and other support	<u>633,294</u>	<u>175,272</u>	<u>-</u>	<u>808,566</u>	<u>60,913</u>	<u>869,479</u>
Net assets released from donor imposed restrictions	<u>(10,851)</u>	<u>22,467</u>	<u>-</u>	<u>11,616</u>	<u>(11,616)</u>	<u>-</u>
Expenses and losses:						
Outreach and recreation	125,875	-	-	125,875	-	125,875
Conservation and education	115,172	-	-	115,172	-	115,172
Natural Areas	356,328	-	-	356,328	-	356,328
Total Program Services costs	<u>597,375</u>	<u>-</u>	<u>-</u>	<u>597,375</u>	<u>-</u>	<u>597,375</u>
General Operations	106,848	-	-	106,848	-	106,848
Fundraising	4,041	-	-	4,041	-	4,041
Total Expenses	<u>708,264</u>	<u>-</u>	<u>-</u>	<u>708,264</u>	<u>-</u>	<u>708,264</u>
Net increase (decrease) in net assets	(85,821)	197,739	-	111,918	49,297	161,215
Prior period adjustment	(56,070)	-	-	(56,070)	-	(56,070)
Net Assets, beginning of year	<u>849,122</u>	<u>564,868</u>	<u>3,992,831</u>	<u>5,406,821</u>	<u>2,142,290</u>	<u>7,549,111</u>
Net Assets, end of year	<u>\$ 707,231</u>	<u>\$ 762,607</u>	<u>\$ 3,992,831</u>	<u>\$ 5,462,669</u>	<u>\$ 2,191,587</u>	<u>\$ 7,654,256</u>

See Notes to Financial Statements

**SQUAM LAKES ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2017**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2016**  
**See Independent Auditors' Report on the Supplementary Information**

	2017							2016
	Outreach and Recreation	Conservation and Education	Natural Areas	Total Program Services	General Operations	Fundraising	Grand Total	
Salaries and wages	\$ 65,880	\$ 60,836	\$ 188,498	\$ 315,214	\$ 56,015	\$ 2,203	\$ 373,432	\$ 357,465
Health Insurance	9,214	8,508	26,363	44,085	7,834	308	52,227	58,242
Depreciation	10,441	9,642	29,874	49,957	8,877	349	59,183	59,292
General insurance	6,427	5,935	18,390	30,752	5,465	215	36,432	36,887
Postage and supplies	5,197	4,800	14,871	24,868	4,419	174	29,461	27,474
Payroll taxes	4,938	4,560	14,128	23,626	4,198	165	27,989	25,694
Food & Meetings	3,081	2,845	8,814	14,740	2,619	103	17,462	13,979
Professional fees	2,732	2,523	7,817	13,072	2,323	91	15,486	25,378
Utilities	2,804	2,589	8,022	13,415	2,384	94	15,893	15,883
Credit card sales fees	1,189	1,098	3,403	5,690	1,011	40	6,741	6,894
Repairs, maintenance	3,607	3,331	10,320	17,258	3,067	121	20,446	16,473
Printing	1,266	1,169	3,621	6,056	1,076	42	7,174	11,135
Small tools and equipment	1,299	1,199	3,716	6,214	-	-	6,214	4,756
Professional development	2,007	1,853	5,742	9,602	1,706	67	11,375	10,366
Employee benefits	1,268	1,171	3,628	6,067	1,078	42	7,187	8,540
Seminars and travel	1,100	1,016	3,147	5,263	935	37	6,235	5,464
Rentals	1,047	967	2,995	5,009	890	35	5,934	3,592
Gasoline	-	-	2,891	2,891	59	-	2,950	2,680
Water Testing	-	-	2,946	2,946	-	-	2,946	-
Permits and fees	1,285	-	2,336	3,621	2,219	-	5,840	6,269
Real estate taxes	328	303	937	1,568	279	11	1,858	1,558
Bookkeeping	-	-	-	-	1,804	-	1,804	1,701
Ecological projects	-	-	-	-	-	-	-	7,099
Bank fees	25	23	72	120	21	2	143	422
Program discounts	-	-	-	-	-	-	-	1,021
Miscellaneous expenses	465	429	1,331	2,225	395	16	2,636	-
Grants to other organizations	-	6,995	-	6,995	-	-	6,995	-
	<u>\$ 125,600</u>	<u>\$ 121,792</u>	<u>\$ 363,862</u>	<u>\$ 611,254</u>	<u>\$ 108,674</u>	<u>\$ 4,115</u>	<u>\$ 724,043</u>	<u>\$ 708,264</u>

See Notes to Financial Statements