

SQUAM LAKES ASSOCIATION
FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

Years ended December 31, 2015 and 2014

DRAFT

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statement of Activities and Changes in Net Assets, December 31, 2015.....	3
Statement of Activities and Changes in Net Assets, December 31, 2014	4
Statements of Cash Flows	5
Notes to Financial Statements	6-11
INDEPENDENT AUDITORS' REPORT ON THE SUPPLEMENTARY INFORMATION	12
SUPPLEMENTARY INFORMATION	
Statement of Financial Position, December 31, 2015	13
Statement of Financial Position, December 31, 2014	14
Statement of Activities Detail, December 31, 2015	15
Statement of Activities Detail, December 31, 2014	16
Statement of Functional Expenses, December 31, 2015 With Comparative Totals for December 31, 2014.....	17

ROWLEY & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

6A HILLS AVENUE
CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 228-5400
FAX # (603) 226-3532

MEMBER OF THE PRIVATE
COMPANIES PRACTICE SECTION

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, 2015 and 2014 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, 2015 and 2014 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.

DRAFT

Rowley & Associates, P.C.
Concord, New Hampshire
May 5, 2016

SQUAM LAKES ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 and 2014
See Independent Auditors' Report

ASSETS	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash, unrestricted	\$ 380,020	\$ 210,148
Cash, temporarily restricted	262,534	181,619
Investments	2,488,206	2,803,554
Accounts receivable	1,996	2,837
Merchandise inventory	50,877	36,967
Total Current Assets	<u>3,183,633</u>	<u>3,235,125</u>
PROPERTY AND EQUIPMENT, at cost		
Land and improvements	3,270,397	3,270,397
Building and improvements	1,800,535	1,800,535
Equipment, vehicles and watercraft	269,971	259,469
	<u>5,340,903</u>	<u>5,330,401</u>
Less: accumulated depreciation	857,755	799,896
	<u>4,483,148</u>	<u>4,530,505</u>
 Total Assets	 <u>7,666,781</u>	 <u>7,765,630</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	9,545	7,662
Note payable, current portion	7,500	7,500
Total Liabilities	<u>17,045</u>	<u>15,162</u>
LONG-TERM LIABILITIES		
Note payable, less current portion	<u>100,625</u>	<u>108,125</u>
Total Current & Long-Term Liabilities	<u>117,670</u>	<u>123,287</u>
COMMITMENTS AND CONTINGENCIES (See Notes)		
NET ASSETS		
Unrestricted	5,406,821	5,376,714
Temporarily restricted	2,142,290	2,265,629
	<u>7,549,111</u>	<u>7,642,343</u>
Total Liabilities and Net Assets	<u>\$ 7,666,781</u>	<u>\$ 7,765,630</u>

See Notes to Financial Statements

SQUAM LAKES ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2015
See Independent Auditors' Report

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Dues	\$ 155,645	\$ -	\$ 155,645
Contributions	148,127	2,000	150,127
Grants	37,962	-	37,962
Interest and dividend income	9,280	30,991	40,271
Net unrealized (loss) on investments	(1,393)	(8,072)	(9,465)
Net realized (loss) on investments	(3,102)	(58,321)	(61,423)
Program fees	236,095	-	236,095
Rental income	14,208	-	14,208
Gift shop Income, net	26,174	-	26,174
Total revenues, gains and other support	<u>622,996</u>	<u>(33,402)</u>	<u>589,594</u>
Net assets released from donor imposed restrictions	<u>89,937</u>	<u>(89,937)</u>	<u>-</u>
Expenses and losses:			
Outreach and recreation	120,427	-	120,427
Conservation and education	110,493	-	110,493
Natural Areas	345,497	-	345,497
Total Program Services costs	<u>576,417</u>	<u>-</u>	<u>576,417</u>
General Operations	102,513	-	102,513
Fundraising	3,896	-	3,896
	<u>682,826</u>	<u>-</u>	<u>682,826</u>
Increase (decrease) in net assets	30,107	(123,339)	(93,232)
Net assets, beginning of year	<u>5,376,714</u>	<u>2,265,629</u>	<u>7,642,343</u>
Net assets, end of year	<u>\$ 5,406,821</u>	<u>\$ 2,142,290</u>	<u>\$ 7,549,111</u>

See Notes to Financial Statements

SQUAM LAKES ASSOCIATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2014
See Independent Auditors' Report

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains and other support:			
Dues	\$ 151,295	\$ -	\$ 151,295
Contributions	160,305	83,000	243,305
Grants	38,752	-	38,752
Interest and dividend income	30,719	19,138	49,857
Net unrealized gain on investments	2,723	18,362	21,085
Net realized gain on investments	5,370	62,375	67,745
Program fees	184,653	-	184,653
Rental income	13,199	-	13,199
Gift shop Income, net	7,483	-	7,483
Total revenues, gains and other support	<u>594,499</u>	<u>182,875</u>	<u>777,374</u>
Net assets released from donor imposed restrictions	<u>307,034</u>	<u>(307,034)</u>	<u>-</u>
Expenses and losses:			
Outreach and recreation	119,563	-	119,563
Conservation and education	134,346	-	134,346
Natural Areas	345,521	-	345,521
Total Program Services costs	<u>599,430</u>	<u>-</u>	<u>599,430</u>
General Operations	104,323	-	104,323
Fundraising	3,949	-	3,949
	<u>707,702</u>	<u>-</u>	<u>707,702</u>
Increase (decrease) in net assets	193,831	(124,159)	69,672
Net assets, beginning of year	<u>5,182,883</u>	<u>2,389,788</u>	<u>7,572,671</u>
Net assets, end of year	<u>\$ 5,376,714</u>	<u>\$ 2,265,629</u>	<u>\$ 7,642,343</u>

See Notes to Financial Statements

SQUAM LAKES ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2015 and 2014
See Independent Auditors' Report

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (93,232)	\$ 69,672
Adjustments to reconcile change in net assets to net unrestricted cash provided by operating activities:		
Change in temporarily restricted cash	(80,915)	(1,932)
Depreciation	57,859	55,237
Net realized (gain) loss on investments	9,465	(67,745)
Net unrealized (gain) loss on investments	61,423	(21,085)
Interest and dividend income	(40,271)	(49,857)
(Increase) decrease in operating assets:		
Accounts receivable	841	(1,349)
Merchandise Inventory	(13,910)	33
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	1,883	1,924
Net cash (used) by operating activities	<u>(96,857)</u>	<u>(15,102)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash paid for property and equipment	(10,502)	(268,528)
Net repayment on note payable	(7,500)	(7,500)
Interest and dividend income	40,271	49,857
Proceeds from sale of investments	325,832	344,775
Purchase of investments	(81,372)	(118,536)
Net cash provided (used) by investing activities	<u>266,729</u>	<u>68</u>
Net increase (decrease) in unrestricted cash	169,872	(15,034)
Unrestricted cash, beginning of year	<u>210,148</u>	<u>225,182</u>
Unrestricted cash, end of year	<u>\$ 380,020</u>	<u>\$ 210,148</u>

See Notes to Financial Statements

**SQUAM LAKES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2015 and 2014
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, 2015 and 2014, 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 \$57,859 and \$55,238 in 2015 and 2014, respectively.

SQUAM LAKES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2015 and 2014
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, 2015 and 2014, 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 2015 and 2014
See Independent Auditors' Report**

Note 3. Investments

Investments are presented in the financial statements at fair-market value. Investments at December 31, 2015 and 2014 are composed of the following:

	2015		2014	
	Cost	Market	Cost	Market
Equity mutual funds	\$1,350,968	\$1,915,299	\$1,509,067	\$2,157,171
Bond mutual funds	420,310	438,254	397,623	456,878
Exchange traded funds	<u>111,519</u>	<u>134,653</u>	<u>136,257</u>	<u>189,505</u>
Total	<u>\$1,882,797</u>	<u>\$2,488,206</u>	<u>\$2,042,947</u>	<u>\$2,803,554</u>

The Association maintains two different funds and a brokerage account for receiving stock donations. The total investment return for these funds are provided on pages 15 and 16 of the Financial Statements from the beginning to the end of years ended December 31, 2015 and 2014, respectively. The two funds are:

Squam Fund

The purpose of the Fund is to promote the general purposes of the SLA. The Fund is invested with a recommended mix of 60-70% equities and 30-40% fixed income. Distributions are allowable to an annual amount not to exceed 4% of the trailing eight quarter average of the fund assets. The Squam funds are temporarily restricted.

Conservation Fund

The purpose of the Fund is to acquire and protect lands in the Squam Lakes watershed. The Fund is invested with a recommended mix of 50-60% equities and 40-50% fixed income. Distributions are allowable to an annual amount not to exceed 50% of the Fund's income. The Conservation funds are board designated.

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 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).

**SQUAM LAKES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2015 and 2014
See Independent Auditors' Report**

Note 3. Investments (Continued)

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.

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 \$5,406,821 and \$5,376,714 in 2015 and 2014, respectively.

Temporarily restricted net assets include gifts for which donor-imposed restrictions have not been met. Temporarily restricted net assets amounted to \$2,142,290 and \$2,265,629 in 2015 and 2014, respectively.

SQUAM LAKES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2015 and 2014
See Independent Auditors' Report

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, 2015 and 2014 totaled \$7,435 and \$6,634, 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, 2015 and 2014 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 2015, 2014, and 2013 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.

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>2015</u>	<u>2014</u>
Short Term	\$ 7,500	\$ 7,500
Long Term	<u>100,625</u>	<u>108,125</u>
	<u>\$108,125</u>	<u>\$115,625</u>

Rental income received from SLCS totaled \$10,950 for each of the years ended December 31, 2015 and 2014, respectively.

SQUAM LAKES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 2015 and 2014
See Independent Auditors' Report

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 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 \$1,980 for the years ended December 31, 2015 and 2014, respectively.

Note 10. Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, the SLA is required to disclose certain information about its financial assets and liabilities. Fair values of assets measured on a recurring basis at December 31 were as follows:

		Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)
<u>2015</u>	<u>Fair Value</u>		
Readily marketable securities	\$2,488,206	\$2,488,206	\$ -
Accounts receivable	<u>1,996</u>	<u>-</u>	<u>1,996</u>
	<u>\$2,490,202</u>	<u>\$2,488,206</u>	<u>\$ 1,996</u>
<u>2014</u>			
Readily marketable securities	\$2,803,554	\$2,803,554	\$ -
Accounts receivable	<u>2,837</u>	<u>-</u>	<u>2,837</u>
	<u>\$2,806,391</u>	<u>\$2,803,554</u>	<u>\$ 2,837</u>

Fair values for investments were determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of accounts receivable is estimated at the present value of expected future cash flows.

Note 11. Reclassification

Amounts held in money market funds are included in cash as reported on the Statement of Financial position as of December 31, 2015 and 2014 the value of these funds were \$331,471 and \$145,170 respectively. These funds were classified as investments in prior years financial reports.

Note 12. Subsequent Event

Management has evaluated whether subsequent events through, May 5, 2016, 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.

ROWLEY & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

6A HILLS AVENUE
CONCORD, NEW HAMPSHIRE 03301
TELEPHONE (603) 228-5400
FAX # (603) 226-3532

MEMBER OF THE PRIVATE
COMPANIES PRACTICE SECTION

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, 2015 and 2014, dated May 5, 2016, 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.

DRAFT
Rowley & Associates, P.C.
Concord, New Hampshire
May 5, 2016

SQUAM LAKES ASSOCIATION
STATEMENT OF FINANCIAL POSITION
December 31, 2015

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ 380,020	\$ 262,534	\$ 642,554
Investments	608,450	1,879,756	2,488,206
Accounts receivable	1,996	-	1,996
Merchandise Inventory	50,877	-	50,877
Total Current Assets	<u>1,041,343</u>	<u>2,142,290</u>	<u>3,183,633</u>
PROPERTY AND EQUIPMENT			
Land and improvements	3,270,397	-	3,270,397
Building and improvements	1,800,535	-	1,800,535
Equipment, vehicles and watercraft	269,971	-	269,971
	<u>5,340,903</u>	<u>-</u>	<u>5,340,903</u>
Less accumulated depreciation	857,755	-	857,755
	<u>4,483,148</u>	<u>-</u>	<u>4,483,148</u>
Total Assets	<u>5,524,491</u>	<u>2,142,290</u>	<u>7,666,781</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	9,545	-	9,545
Note payable, current portion	7,500	-	7,500
Total Current Liabilities	<u>17,045</u>	<u>-</u>	<u>17,045</u>
LONG-TERM LIABILITIES			
Note payable, less current portion	<u>100,625</u>	<u>-</u>	<u>100,625</u>
NET ASSETS			
Unrestricted	5,406,821	-	5,406,821
Temporarily restricted	-	2,142,290	2,142,290
	<u>5,406,821</u>	<u>2,142,290</u>	<u>7,549,111</u>
Total Liabilities and Net Assets	<u>\$ 5,524,491</u>	<u>\$ 2,142,290</u>	<u>\$ 7,666,781</u>

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

SQUAM LAKES ASSOCIATION
STATEMENT OF FINANCIAL POSITION
December 31, 2014

ASSETS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ 210,148	\$ 181,619	\$ 391,767
Investments	719,544	2,084,010	2,803,554
Accounts receivable	2,837	-	2,837
Merchandise Inventory	36,967	-	36,967
Total Current Assets	<u>969,496</u>	<u>2,265,629</u>	<u>3,235,125</u>
PROPERTY AND EQUIPMENT			
Land and improvements	3,270,397	-	3,270,397
Building and improvements	1,800,535	-	1,800,535
Equipment, vehicles and watercraft	259,469	-	259,469
	<u>5,330,401</u>	<u>-</u>	<u>5,330,401</u>
Less accumulated depreciation	799,896	-	799,896
	<u>4,530,505</u>	<u>-</u>	<u>4,530,505</u>
 Total Assets	 <u>5,500,001</u>	 <u>2,265,629</u>	 <u>7,765,630</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	7,662	-	7,662
Note payable, current portion	7,500	-	7,500
Total Current Liabilities	<u>15,162</u>	<u>-</u>	<u>15,162</u>
LONG-TERM LIABILITIES			
Note payable, less current portion	108,125	-	108,125
NET ASSETS			
Unrestricted	5,376,714	-	5,376,714
Temporarily restricted	-	2,265,629	2,265,629
	<u>5,376,714</u>	<u>2,265,629</u>	<u>7,642,343</u>
 Total Liabilities and Net Assets	 <u>\$ 5,500,001</u>	 <u>\$ 2,265,629</u>	 <u>7,765,630</u>

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

SQUAM LAKES ASSOCIATION
STATEMENT OF ACTIVITIES DETAIL
YEAR ENDED DECEMBER 31, 2015
See Independent Auditors' Report on the Supplementary Information

	Unrestricted			Subtotal	Temporarily	Total
	Undesignated	Board Designated			Restricted	
		Operating Fund	Conservation Fund		Property Fund	
Revenue and gains and other support:						
Dues	\$ 155,645	-	\$ -	\$ 155,645	\$ -	155,645
Contributions	148,127	-	-	148,127	2,000	150,127
Grants	37,962	-	-	37,962	-	37,962
Interest and dividend income	-	9,280	-	9,280	30,991	40,271
Net realized gain (loss) on sale of investments	(381)	(1,012)	-	(1,393)	(8,072)	(9,465)
Net unrealized gain (loss) on investments	497	(3,599)	-	(3,102)	(58,321)	(61,423)
Program fees	236,095	-	-	236,095	-	236,095
Rental income	14,208	-	-	14,208	-	14,208
Gift shop Income, net	26,174	-	-	26,174	-	26,174
Total revenues, gains and other support	<u>618,327</u>	<u>4,669</u>	<u>-</u>	<u>622,996</u>	<u>(33,402)</u>	<u>589,594</u>
Net assets released from donor imposed restrictions	94,606	(4,669)	-	89,937	(89,937)	-
Expenses and losses:						
Outreach and recreation	120,427	-	-	120,427	-	120,427
Conservation and education	110,493	-	-	110,493	-	110,493
Natural Areas	345,497	-	-	345,497	-	345,497
Total Program Services costs	<u>576,417</u>	<u>-</u>	<u>-</u>	<u>576,417</u>	<u>-</u>	<u>576,417</u>
General Operations	102,513	-	-	102,513	-	102,513
Fundraising	3,896	-	-	3,896	-	3,896
Total Expenses	<u>682,826</u>	<u>-</u>	<u>-</u>	<u>682,826</u>	<u>-</u>	<u>682,826</u>
Net increase (decrease) in net assets	30,107	-	-	30,107	(123,339)	(93,232)
Net Assets, beginning of year	<u>819,015</u>	<u>564,868</u>	<u>3,992,831</u>	<u>5,376,714</u>	<u>2,265,629</u>	<u>7,642,343</u>
Net Assets, end 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>

See Notes to Financial Statements

**SQUAM LAKES ASSOCIATION
STATEMENT OF ACTIVITIES DETAIL
YEAR ENDED DECEMBER 31, 2014**

See Independent Auditors' Report on the Supplementary Information

	Unrestricted			Subtotal	Temporarily	Total
	Undesignated Operating Fund	Board Designated			Restricted	
		Conservation Fund	Property Fund		Squam Fund	
Revenue and gains and other support:						
Dues	\$ 151,295	\$ -	\$ -	\$ 151,295	\$ -	\$ 151,295
Contributions	160,305	-	-	160,305	83,000	243,305
Grants	38,752	-	-	38,752	-	38,752
Interest and dividend income	187	30,532	-	30,719	19,138	49,857
Net realized gain on sale of investments	-	2,723	-	2,723	18,362	21,085
Net unrealized gain on investments	-	5,370	-	5,370	62,375	67,745
Program fees	184,653	-	-	184,653	-	184,653
Rental income	13,199	-	-	13,199	-	13,199
Gift shop Income, net	7,483	-	-	7,483	-	7,483
Total revenues, gains and other support	<u>555,874</u>	<u>38,625</u>	<u>-</u>	<u>594,499</u>	<u>182,875</u>	<u>777,374</u>
Net assets released from donor imposed restrictions	<u>345,659</u>	<u>(38,625)</u>	<u>-</u>	<u>307,034</u>	<u>(307,034)</u>	<u>-</u>
Expenses and losses:						
Outreach and recreation	119,563	-	-	119,563	-	119,563
Conservation and education	134,346	-	-	134,346	-	134,346
Natural Areas	345,521	-	-	345,521	-	345,521
Total Program Services costs	<u>599,430</u>	<u>-</u>	<u>-</u>	<u>599,430</u>	<u>-</u>	<u>599,430</u>
General Operations	104,323	-	-	104,323	-	104,323
Fundraising	3,949	-	-	3,949	-	3,949
Total Expenses	<u>707,702</u>	<u>-</u>	<u>-</u>	<u>707,702</u>	<u>-</u>	<u>707,702</u>
Net increase (decrease) in net assets	193,831	-	-	193,831	(124,159)	69,672
Net Assets, beginning of year	<u>625,184</u>	<u>564,868</u>	<u>3,992,831</u>	<u>5,182,883</u>	<u>2,389,788</u>	<u>7,572,671</u>
Net Assets, end of year	<u>\$ 819,015</u>	<u>\$ 564,868</u>	<u>\$ 3,992,831</u>	<u>\$ 5,376,714</u>	<u>\$ 2,265,629</u>	<u>\$ 7,642,343</u>

See Notes to Financial Statements

SQUAM LAKES ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2014
See Independent Auditors' Report on the Supplementary Information

	2015							2014
	Outreach and Recreation	Conservation and Education	Natural Areas	Total Program Services	General Operations	Fundraising	Grand Total	
Salaries and wages	\$ 59,563	\$ 55,004	\$ 170,426	\$ 284,993	\$ 50,644	\$ 1,992	\$ 337,629	\$ 324,306
Health Insurance	9,906	9,148	28,344	47,398	8,423	331	56,152	62,637
Depreciation	10,207	9,426	29,206	48,839	8,679	341	57,859	55,237
General insurance	7,414	6,847	21,214	35,475	6,304	248	42,027	52,742
Postage and supplies	5,004	4,621	14,317	23,942	4,254	167	28,363	37,673
Payroll taxes	4,754	4,390	13,604	22,748	4,043	159	26,950	27,799
Food & Meetings	2,404	2,220	6,880	11,504	2,044	80	13,628	15,853
Professional fees	2,910	2,687	8,325	13,922	2,474	97	16,493	17,123
Utilities	3,035	2,802	8,683	14,520	2,580	101	17,201	20,701
Credit card sales fees	1,202	1,110	3,440	5,752	1,022	40	6,814	5,326
Repairs, maintenance	2,313	2,136	6,618	11,067	1,967	77	13,111	16,340
Printing	2,326	2,147	6,654	11,127	1,977	78	13,182	8,663
Small tools and equipment	485	448	1,389	2,322	-	-	2,322	1,387
Professional development	2,392	2,208	6,843	11,443	2,033	80	13,556	7,865
Employee benefits	1,312	1,211	3,753	6,276	1,115	44	7,435	6,634
Seminars and travel	962	888	2,752	4,602	818	32	5,452	5,099
Rentals	546	504	1,562	2,612	464	18	3,094	4,205
Gasoline	-	-	3,193	3,193	65	-	3,258	4,602
Water Testing	-	-	3,174	3,174	-	-	3,174	120
Permits and fees	970	-	1,763	2,733	1,675	-	4,408	5,231
Real estate taxes	186	172	534	892	159	6	1,057	1,006
Bookkeeping	-	-	-	-	1,641	-	1,641	1,810
Ecological projects	2,119	2,119	2,120	6,358	-	-	6,358	-
Bank fees	150	138	428	716	132	5	853	-
Program discounts	267	267	275	809	-	-	809	-
Miscellaneous expenses	-	-	-	-	-	-	-	343
Grants to other organizations	-	-	-	-	-	-	-	25,000
	<u>\$ 120,427</u>	<u>\$ 110,493</u>	<u>\$ 345,497</u>	<u>\$ 576,417</u>	<u>\$ 102,513</u>	<u>\$ 3,896</u>	<u>\$ 682,826</u>	<u>\$ 707,702</u>

See Notes to Financial Statements