

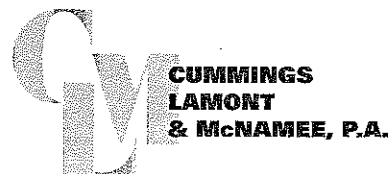
**LAUDHOLM TRUST
(A COMPONENT UNIT OF THE WELLS
NATIONAL ESTUARINE RESEARCH RESERVE
MANAGEMENT AUTHORITY)**

**REVIEW OF FINANCIAL STATEMENTS
AND
ADDITIONAL INFORMATION**

YEAR ENDED JUNE 30, 2009

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ACCOUNTANTS' REVIEW REPORT



January 25, 2010

To the Board of Trustees of
Laudholm Trust
Wells, Maine

We have reviewed the accompanying statement of financial position of Laudholm Trust as of June 30, 2009 and the related statements of activities, changes in net assets and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Laudholm Trust.

A review consists principally of inquiries of Trust personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The prior year summarized comparative information has been derived from the Trust's June 30, 2008 audited financial statements and, in our report dated December 17, 2008 we expressed an unqualified opinion on them, but we have not performed any auditing procedures since that date.

Cummings, Lamont & McNamee P.A.

Certified Public Accountants
Kennebunk, Maine

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LAUDHOLM TRUST
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STATEMENT OF FINANCIAL POSITION
(SEE ACCOUNTANTS' REVIEW REPORT)

JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	June 30, 2009 Total (Unaudited)	June 30, 2008 Total (Audited)
ASSETS					
Cash and cash equivalents	\$ 301,526	\$ 343,748	\$ 111,045	\$ 756,319	\$ 646,406
Accounts receivable	-	-	-	-	53
Investments	691,142	781,542	513,760	1,986,444	2,497,235
Unconditional promises to give, net:					
Unrestricted	100	-	-	100	100
Restricted	-	110,750	-	110,750	163,781
Inventory	5,671	-	-	5,671	7,019
Beneficial interest in charitable trusts	-	-	770,885	770,885	979,235
Land	147,950	-	-	147,950	147,950
Furnishings and equipment, net of accumulated depreciation of \$18,254	2,867	-	-	2,867	3,510
Total Assets	\$ 1,149,256	\$ 1,236,040	\$ 1,395,690	\$ 3,780,986	\$ 4,445,289
LIABILITIES					
Accounts payable	\$ 5,536	\$ -	\$ -	\$ 5,536	\$ 4,328
Line of credit payable	-	-	-	-	3,000
Present value of future annuity payments	30,373	-	11,553	41,926	47,808
Total Liabilities	35,909	-	11,553	47,462	55,136
NET ASSETS					
Unrestricted:					
Designated as funds functioning as endowment	787,787	-	-	787,787	1,047,229
Undesignated	325,560	-	-	325,560	414,353
Temporarily restricted	-	1,236,040	-	1,236,040	1,350,124
Permanently restricted	-	-	1,384,137	1,384,137	1,578,447
Total Net Assets	1,113,347	1,236,040	1,384,137	3,733,524	4,390,153
Total Liabilities and Net Assets	\$ 1,149,256	\$ 1,236,040	\$ 1,395,690	\$ 3,780,986	\$ 4,445,289

See Notes to Financial Statements

LAUDHOLM TRUST
(A COMPONENT UNIT OF THE WELLS NATIONAL
ESTUARINE RESEARCH RESERVE MANAGEMENT AUTHORITY)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	June 30, 2009 Total (Unaudited)	June 30, 2008 Total (Audited)
REVENUES AND OTHER SUPPORT					
Contributions and grants	\$ 160,413	\$ 125,560	\$ 14,435	\$ 300,408	\$ 735,604
Memberships	73,466	-	-	73,466	77,884
Fundraising events	140,381	-	-	140,381	182,891
Interest and dividends	41,215	31,285	41	72,541	92,925
Gains (losses) on investments	(233,203)	(183,609)	-	(416,812)	(143,488)
Gains (losses) on charitable trusts	-	-	(208,350)	(208,350)	(73,605)
Store sales	8,635	-	-	8,635	5,334
Change in annuity obligations	(2,189)	-	(436)	(2,625)	(4,107)
Net assets released from restrictions	87,320	(87,320)	-	-	-
Total Revenues and Other Support	276,038	(114,084)	(194,310)	(32,356)	873,438
EXPENSES					
Program Services					
Contributions	260,659	-	-	260,659	653,814
Total Program Services	260,659	-	-	260,659	653,814
Supporting Services					
General and administrative	299,717	-	-	299,717	294,149
Cost of fundraising events	58,685	-	-	58,685	79,057
Store purchases and expenses	3,825	-	-	3,825	3,041
Depreciation expense	1,387	-	-	1,387	1,568
Total Supporting Services	363,614	-	-	363,614	377,815
Total Expenses	624,273	-	-	624,273	1,031,629
CHANGE IN NET ASSETS	(348,235)	(114,084)	(194,310)	(656,629)	(158,191)
NET ASSETS, BEGINNING OF YEAR	1,461,582	1,350,124	1,578,447	4,390,153	4,548,344
NET ASSETS, END OF YEAR	\$ 1,113,347	\$ 1,236,040	\$ 1,384,137	\$ 3,733,524	\$ 4,390,153

See Notes to Financial Statements

LAUDHOLM TRUST
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STATEMENT OF CASH FLOWS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008

	June 30, 2009 (Unaudited)	June 30, 2008 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (656,629)	\$ (158,191)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,387	1,568
(Gains) losses on investments	416,812	143,488
(Gains) losses on charitable trusts	208,350	112,265
(Increase) decrease in operating assets:		
Accounts receivable	53	2,845
Unconditional promises to give	53,031	(94,834)
Inventory	1,348	(2,035)
Increase (decrease) in operating liabilities:		
Accounts payable	1,208	622
Line of credit payable	(3,000)	3,000
Present value of future annuity payments	(5,882)	24,588
Net cash provided by (used in) operating activities	16,678	33,316
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	113,711	281,435
Purchase of investments	(19,732)	(305,840)
Purchase of furnishings and equipment	(744)	-
Net cash provided by (used in) investing activities	93,235	(24,405)
NET INCREASE (DECREASE) IN CASH	109,913	8,911
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	646,406	637,495
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 756,319	\$ 646,406

Supplemental disclosures:

There were no noncash investing and financing activities during 2009 or 2008.

Cash paid during the year for:

Interest	\$ 158	\$ 48
Taxes on income	\$ -	\$ -

See Notes to Financial Statements

LAUDHOLM TRUST
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NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies

Nature of Activities - Laudholm Trust is a not-for-profit organization incorporated under Title 13-B of the Statutes of the State of Maine. The mission of Laudholm Trust is to support estuarine ecosystems, primarily the Wells National Estuarine Research Reserve at the historic site of Laudholm Farm. This is done through acquisition, preservation, research, education, and other activities relating to the estuarine ecosystems and Laudholm Farm. The Trust contributes (or otherwise makes available) resources and personnel to the Wells Reserve and acquires (or otherwise protects) lands. In this capacity, the Trust is considered to be a component unit of the Wells National Estuarine Research Reserve Management Authority. Accordingly, the Trust is included in the Wells Reserve's financial statements as a discrete component unit. The Trust's principal sources of revenue are membership dues, donations, grants, investment income, and fund raising activities.

Basis of Accounting - The financial statements of the Trust have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities.

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 Trust 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.

Cash and Cash Equivalents - For purposes of the Statement of Cash Flows, the Trust considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk for Cash Held in Bank - The Trust maintains cash balances at two banks and at two investment brokerages. Accounts at each bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. Accounts at each investment brokerage are insured by the Securities Investor Protection Corporation up to \$100,000, with excess amounts insured by a commercial insurance company. As of June 30, 2009, all cash deposits were insured.

Donated Assets - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donated Services - Donated services are reflected in the financial statements at the fair value of the services received only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

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 these estimates.

Expense Allocation - The costs of providing various programs and other 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.

Income Tax Status - The Trust is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Trust qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Inventory - Inventory is valued at the lower of cost or market determined by the first-in, first-out method.

LAUDHOLM TRUST
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NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies (continued)

Investments - The Trust 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 Statement of Activities.

Promises to Give - Unconditional promises to give are recorded as received. Unconditional promises to give due in subsequent years are recorded at their present value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. As of June 30, 2009, the discount rate used was 1.46%. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment - Land, furnishings and equipment - Purchased assets are carried at cost. Contributed assets are carried at their fair market value at the time of the gift. Major additions are included in the property accounts while maintenance and repairs which do not improve or extend the life of the assets are expensed currently.

Depreciation is not computed on the Trust's real estate. Unrelated land which has been contributed to the Trust may be offered for sale. Personal property items which are considered to be operating assets are depreciated using the straight line method of depreciation over the assets' estimated service life. Furnishings and equipment are depreciated over a period of 5-10 years.

Recognition of Donor Restricted Contributions - Support that is restricted by the donor 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 purpose restriction is accomplished), restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Comparative Financial Information - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Trust's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

Note 2 - Fair Values of Assets

Effective July 1, 2008, the Trust adopted Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (SFAS 157), which provides a framework for measuring fair value under GAAP. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS 157 also established a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

- 1) Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other resources;
- 2) Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

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NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009

Note 2 - Fair Values of Assets (continued)

- 3) Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

For the year ended June 30, 2009, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following table sets forth by level, within the fair value hierarchy, the Trust's investments at fair value at June 30, 2009.

<u>Description</u>	<u>Fair Values</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments	\$ 1,986,444	\$ 1,986,444	\$ -	\$ -
Cash - money market fund	651,326	651,326	-	-
Pledges receivable	110,850	-	-	110,850
Future annuity payments	<u>41,926</u>	<u>-</u>	<u>-</u>	<u>41,926</u>
Total	<u>\$ 2,790,546</u>	<u>\$ 2,637,770</u>	<u>\$ -</u>	<u>\$ 152,776</u>

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions. Fair value for pledges receivable is determined by amount pledged by individuals to be collected by the Trust within one to three years discounted at a blended interest rate of 1.46% based on US Treasury rates of similar length investments. See Note 14 for information regarding the fair value of future annuity payments

Note 3 - Investments

Investments as of June 30, 2009, are summarized as follows, at fair value which equals carrying value.

Corporate stocks and bonds	\$ 1,565,390
U.S. Government obligations	<u>421,054</u>
Total	<u>\$ 1,986,444</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended June 30, 2009:

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Investment income	\$ 41,215	\$ 31,285	\$ 41	\$ 72,541
Net realized and unrealized gains (losses)	<u>(233,203)</u>	<u>(183,609)</u>	<u>-</u>	<u>(416,812)</u>
Total investment return	<u>\$ (191,988)</u>	<u>\$ (152,324)</u>	<u>\$ 41</u>	<u>\$ (344,271)</u>

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NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009

Note 4 - Promises to Give

Unconditional promises to give at June 30, 2009, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Receivable in less than one year	\$ 100	\$ 8,750	\$ 8,850
Receivable in one to five years	-	105,000	105,000
	100	113,750	113,850
Less: Unamortized discount	-	3,000	3,000
	<u>\$ 100</u>	<u>\$ 110,750</u>	<u>\$ 110,850</u>

Unconditional promises were restricted for the following purposes at June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Restricted to the Laudholm Trust 25 th Anniversary Campaign, consisting of building an environmental chamber, land acquisition and adding to the endowment	\$ -	\$ 103,750	\$ 103,750
Restricted to educational programs	-	10,000	10,000
Unrestricted	100	-	100
	<u>\$ 100</u>	<u>\$ 113,750</u>	<u>\$ 113,850</u>

No allowance for uncollectible promises receivable is considered necessary at June 30, 2009.

Note 5 - Inventory

Inventory as of June 30, 2009, consists of the following:

Gift shop inventory	\$ <u>5,671</u>
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Note 6 - Land

Land consists of the following five parcels of property:

Unrestricted and expendable:

Parcels number one and two are located in Mohave County, Arizona	\$ 4,950
Parcel number three is located in Mohave County, Arizona	3,000
Parcel number four is located in Wells, Maine	50,000
Parcel number five is located in Drakes Island, Wells, Maine	<u>90,000</u>
Total	<u>\$ 147,950</u>

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NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009

Note 7 - Note Payable

The Trust has a line of credit with a commercial bank which provides for borrowings of up to \$100,000. The line of credit is unsecured. There were no borrowings under the line of credit as of June 30, 2009.

Note 8 - Board Designated Net Assets

Amounts designated by the Board as funds functioning as endowment consist of the following:

Bequests, including the following named endowments: William D. Haney Endowment, Henry H. Pasco Endowment, Gerald and Sally Holmes Endowment, Esther French Martin Endowment, Arthur, Virginia and Frank Sawyer Endowment, and Dorothy Low Newton Endowment.	\$ 309,717
Memorials and celebratory gifts, including the following: James A. Forest Fund	95,768
Other amounts designated by the Board, including the following: William R. Spaulding and Gertrude Mowry Spaulding Endowment.	44,500
Other amounts	<u>337,802</u>
Total	\$ <u>787,787</u>

Note 9 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Research Support Fund	\$ 852,738
Restricted to education	278,737
Restricted to library needs	99,048
Other restricted amounts	<u>5,517</u>
Total	\$ <u>1,236,040</u>

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Restricted to research	\$ 47,358
Restricted to education	30,640
Other restricted amounts	<u>9,322</u>
Total	\$ <u>87,320</u>

LAUDHOLM TRUST
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NOTES TO FINANCIAL STATEMENTS
 (SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009

Note 10 - Permanently Restricted Net Assets

Permanently restricted net assets consist of the following:

ENDOWMENT FUND:

LAUDHOLM TRUST Endowment Fund, with income to be used at the discretion of the Board with the primary goal to support the Wells National Estuarine Research Reserve. Included here are the following named endowments: E. Virginia Mowry Endowment, Rudolph F. Nunnemacher Endowment, Lily Rice Kendall Endowment, Frank V. Sandberg Endowment, Eleanor Mildram Carberry Endowment, Mort and Barbara Mather Endowment, Doris C. Adams-Nunnemacher Endowment, and Kathryn Davis Endowment.	\$ 399,614
Christian A. Johnson Endeavor Fund, an endowment fund with income used each year in support of educational programs.	31,002
Charles Dennis Fink Fund, an endowment fund with income used each year in support of research programs.	36,301
George Ford II Fund, an endowment fund with income used each year in support of research programs.	34,470
William and Gertrude Spaulding Fund, an endowment fund with income used each year in support of the junior and advanced junior research program.	50,949
Other endowment funds with income used each year in support of education and historic buildings. Included here are the Alice Freeman Muchnic Endowment and the Mattina R. Proctor Seacoast Explorers Endowment.	60,916
Charitable trusts more fully described in Note 12. Included here are the following trusts: John Louis Alheim Trust, and the Fern Goff Charitable Trust.	<u>770,885</u>
Total	\$ <u>1,384,137</u>

Implementation of FSP FAS 117-1

In August 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" (FSP FAS 117-1). FSP FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FSP FAS 117-1 also requires additional disclosures about an organization's endowment funds (both donor restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Maine enacted UPMIFA effective June 19, 2009, the provisions of which apply to endowment funds existing on or established after that date. The Trust has adopted FSP FAS 117-1 for the year ending June 30, 2009. The Trust's endowment investing policy's objective is to grow the fund over time in support of the above listed funds. The fund will meet this objective by investing endowment funds in fixed income and equity investments. The investment allocation is reviewed on a regular basis. The Board has established that endowment income shall be calculated at 4% of average values of the funds as of June 30 and October 31st of the prior fiscal year. Additional spending policies are outlined by fund above.

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NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009

Note 11 - Donated Services

Donated services included in the financial statements consist of accounting and legal services, fundraising, public relations and other services with a total value of \$6,226. In addition, a substantial number of volunteers have donated significant amounts of their time in the Trust's operations, program services and fund-raising campaigns which is not recognized in the financial statements because it does not meet the criteria described in Note 1.

During the year ended June 30, 2009, 523 volunteers logged 16,516 hours of service on behalf of Laudholm Trust and the Wells National Estuarine Research Reserve.

Note 12 - Contributions Expense

Contributions expense includes cash payments made to, or paid on behalf of the Wells National Estuarine Research Reserve Management Authority.

Note 13 - Charitable Trusts

Laudholm Trust is beneficiary of two charitable trust funds held and administered by outside trustees. The Trust has reflected as assets on the Statement of Financial Position the net present value of the expected future cash flows from the trusts. At June 30, 2009, the Trust has recorded its beneficial interest in charitable trusts of \$770,885. Income paid to Laudholm Trust by these charitable trusts during the year ended June 30, 2009 totaled \$38,481 and is included in contributions and grants.

Note 14 - Charitable Gift Annuity Agreements

Amounts due to others under charitable gift annuity arrangements represent guaranties to pay a fixed amount to the donor for the life of the donor. At June 30, 2009 the Trust has obligations under six separate agreements. The assets received have generally been invested in a money market account, the earnings from which are used to offset the payments required under five of the agreements. An annuity has been purchased from an insurance company, the payments from which are used to offset the payments required under one of the agreements. In the year of a new gift, the difference between the amount received and the present value of the future annuity payments is recorded as a contribution. The present value of future annuity payments is determined based on the ages and life expectancies of the donors as of the date of the gift, using a discount rate that approximates the Trust's rate of return on invested assets.

Note 15 - Pension Plan

The Trust has established a defined contribution pension plan for the benefit of its employees. The plan operates under Section 403(b) of the Internal Revenue Service Code. Under this plan the Trust matches dollar for dollar up to 6.5% of each eligible employee's salary. Employees must have one year of service with the Trust before they can participate in the plan. The related pension expense was \$6,870 for the year ended June 30, 2009.

Note 16 - Lease of Office Space

During 2003 the Trust entered into a lease agreement with the Wells Reserve to provide office space to Laudholm Trust. The space consists of mutually agreeable office space adequate for Laudholm Trust staff and officers. The space is being leased rent free. The term of the lease is for 20 years with the option to extend the lease for 4 successive 20 year terms. The Trust has concluded that the fair value of the lease is not determinable.

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ESTUARINE RESEARCH RESERVE MANAGEMENT AUTHORITY)

NOTES TO FINANCIAL STATEMENTS
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009

Note 17 – Related Party Transactions

A member of the Board of Trustees has provided consulting services to the Trust. Fees charged for these services totaled \$1,579 for the year ended June 30, 2009.

Note 18 - Subsequent Events

Subsequent events have been evaluated by management through January 25, 2010, which is the date the financial statements were available to be issued. There were no material subsequent events at January 25, 2010 that require disclosure in the financial statements.

ACCOUNTANTS' REVIEW REPORT ON ADDITIONAL INFORMATION

January 25, 2010

To the Board of Trustees of
Laudholm Trust
Wells, Maine

Our report on our review of the financial statements of Laudholm Trust as of and for the year ended June 30, 2009 appears on page 1. That review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying schedule of general and administrative expenses is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

Cummins, Lamont & McNamee, PA

*Certified Public Accountants
Kennebunk, Maine*

LAUDHOLM TRUST
(A COMPONENT UNIT OF THE WELLS NATIONAL
ESTUARINE RESEARCH RESERVE MANAGEMENT AUTHORITY)

GENERAL AND ADMINISTRATIVE EXPENSES
(SEE ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2009
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008

	June 30, 2009 (Unaudited)	June 30, 2008 (Audited)
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries	\$ 195,821	\$ 187,458
Employee benefits	29,680	35,198
Insurance	2,723	3,969
Interest expense	158	48
Office supplies and miscellaneous	6,792	9,874
Payroll taxes	14,062	13,397
Postage	2,994	2,469
Printing	2,718	-
Professional fees	33,495	32,833
Property taxes	130	48
Donor recognition & cultivation	10,360	6,659
Repairs and maintenance	63	616
Subscriptions	122	80
Travel and entertainment	349	1,500
Utilities and telephone	250	-
 Total	 \$ 299,717	 \$ 294,149