



laudholmtrust
In support of Wells Reserve

**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, 2015

**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, 2015

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

**CUMMINGS
LAMONT
& McNAMEE, P.A.**

*"Trusted Advisors for
over 50 years!"*

February 12, 2016

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, 2015, and the related statements of activities and changes in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

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 accounting principles generally accepted in the United States of America.

The prior year summarized comparative information has been derived from the Trust's June 30, 2014 reviewed financial statements and, in our report dated January 21, 2015 we stated that we were not aware of any material modifications that should be made to those statements in order for them to be in conformity with accounting principles generally accepted in the United States of America, but we have not performed any procedures in connection with that review engagement since that date.

Cummings, Lamont & McNamee, P.A.

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Kennebunk, Maine**

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

**JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR JUNE 30, 2014**

	Unrestricted	Temporarily Restricted	Permanently Restricted	June 30, 2015 Total	June 30, 2014 Total
ASSETS					
Cash and cash equivalents	\$ 225,361	\$ 57,971	\$ 182,510	\$ 465,842	\$ 498,748
Accounts receivable	16,936	-	-	16,936	4,762
Investments	1,717,649	687,777	2,109,455	4,514,881	4,158,962
Unconditional promises to give, net:					
Restricted	-	10,000	-	10,000	-
Inventory	4,601	-	-	4,601	4,025
Beneficial interest in charitable trusts	-	-	1,035,790	1,035,790	1,061,980
Land	97,950	-	-	97,950	97,950
Furnishings and equipment, net of accumulated depreciation of \$10,623	3,067	-	-	3,067	3,692
Total Assets	\$ 2,065,564	\$ 755,748	\$ 3,327,755	\$ 6,149,067	\$ 5,830,119
LIABILITIES					
Accounts payable	\$ 3,031	\$ -	\$ -	\$ 3,031	\$ 659
Deferred revenues	143,905	-	-	143,905	153,177
Present value of future annuity payments	-	-	-	-	2,495
Total Liabilities	146,936	-	-	146,936	156,331
NET ASSETS					
Unrestricted:					
Designated funds functioning as endowment	1,808,469	-	-	1,808,469	1,581,920
Undesignated	110,159	-	-	110,159	179,780
Temporarily restricted	-	755,748	-	755,748	668,369
Permanently restricted	-	-	3,327,755	3,327,755	3,243,719
Total Net Assets	1,918,628	755,748	3,327,755	6,002,131	5,673,788
Total Liabilities and Net Assets	\$ 2,065,564	\$ 755,748	\$ 3,327,755	\$ 6,149,067	\$ 5,830,119

See Notes to Financial Statements

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

YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	June 30, 2015 Total	June 30, 2014 Total
REVENUES AND OTHER SUPPORT					
Contributions and grants	\$ 164,634	\$ 68,400	\$ 112,000	\$ 345,034	\$ 182,288
Memberships	71,174	-	-	71,174	66,000
Fundraising events	267,101	-	-	267,101	250,502
Interest and dividends	81,906	-	-	81,906	85,112
Gains (losses) on investments	208,059	130,964	-	339,023	571,531
Gains (losses) on charitable trusts	-	-	(26,190)	(26,190)	102,855
Store sales	6,013	-	-	6,013	5,872
Gain (loss) on sale of land	-	-	-	-	(25,055)
Change in annuity obligations	(3,505)	-	(1,774)	(5,279)	(3,040)
Net assets released from restrictions	111,985	(111,985)	-	-	-
Total Revenues and Other Support	907,367	87,379	84,036	1,078,782	1,236,065
EXPENSES					
Program Services					
Contributions	354,042	-	-	354,042	259,161
Total Program Services	354,042	-	-	354,042	259,161
Supporting Services					
General and administrative	333,918	-	-	333,918	326,517
Cost of fundraising events	57,036	-	-	57,036	51,892
Store purchases and expenses	4,818	-	-	4,818	2,809
Depreciation expense	625	-	-	625	582
Total Supporting Services	396,397	-	-	396,397	381,800
Total Expenses	750,439	-	-	750,439	640,961
CHANGE IN NET ASSETS	156,928	87,379	84,036	328,343	595,104
NET ASSETS, BEGINNING OF YEAR	1,761,700	668,369	3,243,719	5,673,788	5,078,684
NET ASSETS, END OF YEAR	\$ 1,918,628	\$ 755,748	\$ 3,327,755	\$ 6,002,131	\$ 5,673,788

See Notes to Financial Statements

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

**STATEMENT OF CASH FLOWS
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

**YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014**

	June 30, 2015	June 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 328,343	\$ 595,104
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	625	582
(Gains) losses on investments	(339,027)	(571,531)
(Gains) losses on charitable trusts	26,190	(102,855)
(Gain) loss on disposition of land	-	25,055
(Increase) decrease in operating assets:		
Accounts receivable	(12,174)	7,537
Unconditional promises to give	(10,000)	-
Inventory	(576)	(338)
Increase (decrease) in operating liabilities:		
Accounts payable	2,372	(2,158)
Contributions payable to the Wells National Estuarine Research Reserve	-	(1,979)
Deferred revenues	(9,272)	5,082
Present value of future annuity payments	(2,495)	(5,685)
Net cash provided by (used in) operating activities	(16,014)	(51,186)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	399,489	408,618
Purchase of investments	(416,381)	(363,649)
Proceeds from the sale of land	-	24,945
Purchase of furnishings and equipment	-	(1,898)
Net cash provided by (used in) investing activities	(16,892)	68,016
NET INCREASE (DECREASE) IN CASH	(32,906)	16,830
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	498,748	481,918
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 465,842	\$ 498,748

Supplemental disclosures:

There were no noncash investing and financing activities during 2015 or 2014.

Cash paid during the year for:

Interest	\$ -	\$ -
Taxes on income	\$ -	\$ -

See Notes to Financial Statements

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

YEAR ENDED JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies

Nature of Activities - Laudholm Trust (the "Trust") is a not-for-profit organization incorporated under Title 13-B of the Statutes of the State of Maine. Laudholm Trust is dedicated to advancing the coastal research, education and stewardship programs of the Wells National Estuarine Research Reserve and to preserve its historic buildings. The Trust strives to extend its unique legacy by galvanizing community support and inspiring actions that protect Maine's coastal environments. The Trust contributes (or otherwise makes available) resources and personnel to the Wells Reserve and acquires (or otherwise protects) lands. In these capacities, the Trust is considered to be a component unit of the Wells National Estuarine Research Reserve Management Authority. The Trust's principal sources of revenue are membership dues, donations, grants, investment income, and fundraising 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, *Financial Statements of Not-for-Profit Organizations*. Under this standard, 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. Cash balances at each bank are insured by the Federal Deposit Insurance Corporation up to \$250,000 and balances at each investment brokerage are insured by the Securities Investor Protection Corporation up to \$500,000. As of June 30, 2015, all cash deposits were insured.

Deferred Revenues - Deferred revenues consist of certain event and site rental fees received but not earned as the corresponding events take place in the following fiscal year.

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 Taxes - 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). The federal tax return of the Trust is subject to examination, generally for three years after it was filed. The Trust does not believe that there are any uncertain tax positions taken in preparation of the tax return that would impact these financial statements.

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NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2015

Note 1 - Summary of Significant Accounting Policies (continued)

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

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 and Changes in Net Assets.

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. Unconditional promises to give at June 30, 2015, consisted of \$10,000 due within four years and temporarily restricted to educational programs. No discount was considered necessary for the year ended June 30, 2015 as the amount is immaterial to the financial statements. 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 when incurred.

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 and Changes in Net Assets 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 ("GAAP"). Accordingly, such information should be read in conjunction with the Trust's financial statements for the year ended June 30, 2014, 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, *Fair Value Measurements*, which provides a framework for measuring fair value under GAAP. This standard 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. The standard requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The standard 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;

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**NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

YEAR ENDED JUNE 30, 2015

Note 2 - Fair Values of Assets (continued)

- 2) Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- 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, 2015, 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, 2015.

<u>Description</u>	<u>Fair Values</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments	\$ 4,514,881	\$ 4,514,881	\$ -	\$ -
Cash - money market fund	<u>310,842</u>	<u>310,842</u>	<u>-</u>	<u>-</u>
Total	\$ <u>4,825,723</u>	\$ <u>4,825,723</u>	\$ <u>-</u>	\$ <u>-</u>

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions.

Note 3 - Investments

Investments as of June 30, 2015, are summarized as follows, at fair value which equals carrying value.

Corporate stocks and bonds	\$ 3,903,595
U.S. Government obligations	<u>611,286</u>
Total	\$ <u>4,514,881</u>

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment income	\$ 81,906	\$ -	\$ -	\$ 81,906
Net realized and unrealized gains (losses)	<u>208,059</u>	<u>130,964</u>	<u>-</u>	<u>339,023</u>
Total investment return	\$ <u>289,965</u>	\$ <u>130,964</u>	\$ <u>-</u>	\$ <u>420,929</u>

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NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

YEAR ENDED JUNE 30, 2015

Note 4 - Inventory

Inventory as of June 30, 2015, consists of the following:

Gift shop inventory	\$	<u>4,601</u>
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Note 5 - Land

Land consists of the following four 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 Drakes Island, Wells, Maine		<u>90,000</u>
Total	\$	<u>97,950</u>

Note 6 - Note Payable

The Trust has a line of credit with a commercial bank which provides for borrowings of up to \$50,000. The line of credit is unsecured. There were no borrowings under the line of credit as of June 30, 2015. On October 27, 2015 the line of credit was extended through July 22, 2016.

Note 7 - 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.	\$	392,542
Memorials and celebratory gifts, including the following: James A. Forest Fund		98,051
Other amounts designated by the Board, including the following: William R. Spaulding and Gertrude Mowry Spaulding Endowment.		44,500
Other amounts, including realized and unrealized gains (losses).		<u>1,273,376</u>
Total	\$	<u>1,808,469</u>

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**NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

YEAR ENDED JUNE 30, 2015

Note 8 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

Restricted to research	\$ 406,621
Restricted to education	259,813
Other restricted amounts	<u>89,314</u>
Total	\$ <u>755,748</u>

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

Restricted to research	\$ 1,746
Restricted to education	55,305
Restricted to capital improvements	50,500
Other restricted amounts	<u>4,434</u>
Total	\$ <u>111,985</u>

Note 9 - Permanently Restricted Net Assets

Permanently restricted net assets consist of the following:

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.	\$ 393,135
Charles C. and Rebecca S. Richardson Lifelong Environmental Learning Fund, an endowment fund with income used each year in support of enrichment activities associated with the education program.	249,531
Dorothy Fish Coastal Resource Library Fund, an endowment fund with income used each year in support of the Dorothy Fish Coastal Resource Library.	97,675
Christian A. Johnson Endeavor Fund, an endowment fund with income used each year in support of educational programs.	31,002
Other endowment funds with income used each year in support of educational programs.	2,130
Charles Dennis Fink Research Support Fund, an endowment fund with income used each year in support of research programs.	36,302
George Ford II Research Support Fund, an endowment fund with income used each year in support of research programs.	1,366,938

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**NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

YEAR ENDED JUNE 30, 2015

Note 9 - Permanently Restricted Net Assets (continued)

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
Mattina R. Proctor Seacoast Explorers Fund, an endowment fund with income used each year in support of educational programs.	25,000
Other endowment funds with income used each year in support of historic buildings. Included here is the Alice Freeman Muchnic Endowment.	39,303
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>1,035,790</u>
Total	\$ <u>3,327,755</u>

In August 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position, "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". This Position 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). The Position 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'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 a three year rolling average of the values of the funds. Additional spending policies are outlined by fund above.

Note 10 - Donated Services

Donated services included in the financial statements consist of accounting and legal services, graphic design, fundraising, public relations and other services with a total value of \$7,473.

In addition, a substantial number of volunteers have donated significant amounts of their time in the Trust's operations, program services and fundraising 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, 2015, 829 volunteers logged approximately 16,000 hours of service on behalf of Laudholm Trust and the Wells National Estuarine Research Reserve.

Note 11 - Contributions Expense

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

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**NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)**

YEAR ENDED JUNE 30, 2015

Note 12 - 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, 2015, the Trust has recorded its beneficial interest in charitable trusts of \$1,035,790. Income paid to Laudholm Trust by these charitable trusts during the year ended June 30, 2015 totaled \$40,486 and is included in contributions and grants.

Note 13 - 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 \$13,436 for the year ended June 30, 2015.

Note 14 - Charitable Gift Annuity Agreements

Amounts due to others under charitable gift annuity arrangements represent guarantees to pay a fixed amount to the donor for the life of the donor. At June 30, 2015 the Trust has obligations under three separate agreements. The assets received have generally been invested in savings accounts, the earnings from which are used to offset the payments required under two 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 - Lease of Office Space

During 2003 the Trust entered into a lease agreement with the Wells National Estuarine Research Reserve Management Authority 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.

Note 16 - Subsequent Events

Subsequent events have been evaluated by management through February 12, 2016, which is the date the financial statements were available to be issued. Other than the event described in Note 6, there were no material subsequent events at February 12, 2016 that require disclosure in the financial statements.

INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON ADDITIONAL
INFORMATION

February 12, 2016

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, 2015 appears on page 1. That review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying schedule of general and administrative expenses is presented only for purposes of additional analysis and 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.

Cummings, Lamont & MacNamee, P.A.

***Certified Public Accountants
Kennebunk, Maine***

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

GENERAL AND ADMINISTRATIVE EXPENSES

**YEAR ENDED JUNE 30, 2015
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014**

	June 30, 2015	June 30, 2014
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries	\$ 203,096	\$ 192,069
Employee benefits	54,570	53,127
Insurance	6,263	7,591
Office supplies and miscellaneous	7,719	5,819
Payroll taxes	14,081	13,329
Postage	2,180	3,523
Printing	23	-
Professional fees	40,650	46,958
Property taxes	79	83
Donor recognition and cultivation	4,256	3,218
Repairs and maintenance	506	45
Subscriptions	147	90
Training	283	415
Travel and entertainment	65	250
	\$ 333,918	\$ 326,517
Total	\$ 333,918	\$ 326,517

See Independent Accountants' Review Report on Page 12