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**NISQUALLY LAND TRUST**  
A Washington Not For Profit Organization

**Financial Statements**

For the Years Ended  
December 31, 2014 and 2013

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**Aiken & Sanders, Inc PS**

CERTIFIED PUBLIC ACCOUNTANTS  
& MANAGEMENT CONSULTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Nisqually Land Trust  
Lacey, WA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Nisqually Land Trust (the Trust), which comprise the statement of financial position as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets, functional expenses, 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 control 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from 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 control 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 control. 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 audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Aiken & Sanders*

Aiken & Sanders, Inc., PS  
Certified Public Accountants  
& Management Consultants

Aberdeen, WA

June 2, 2015

**Nisqually Land Trust**  
**A Washington Not For Profit Organization**

**Statement of Financial Position**

<b>December 31,</b>	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash	\$ 684,385	\$ 590,187
Prepaid Expense	4,782	5,338
Accounts Receivable	75	2,820
Grants Receivable	99,773	81,115
<b>Total Current Assets</b>	<b>789,015</b>	<b>679,460</b>
<b>Property &amp; Equipment:</b>		
Equipment	49,619	47,481
Land	22,289,989	22,317,882
Accumulated Depreciation	(36,738)	(32,016)
<b>Total Property &amp; Equipment</b>	<b>22,302,870</b>	<b>22,333,347</b>
<b>Other Assets:</b>		
Investments	781,182	731,664
Organization Costs	5,850	-
<b>Total Other Assets</b>	<b>787,032</b>	<b>731,664</b>
<b>Total Assets</b>	<b>\$ 23,878,917</b>	<b>\$ 23,744,471</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 9,507	\$ 26,478
Payroll Taxes & Benefits Payable	15,786	22,151
Security Deposit Payable	400	400
<b>Total Current Liabilities</b>	<b>25,693</b>	<b>49,029</b>
<b>Total Liabilities</b>	<b>25,693</b>	<b>49,029</b>
<b>Net Assets:</b>		
Unrestricted	837,600	626,594
Board Designated Unrestricted Net Assets	2,939,147	3,183,417
	3,776,747	3,810,011
Temporarily Restricted	235,069	263,036
Permanently Restricted	19,841,408	19,622,395
<b>Total Net Assets</b>	<b>23,853,224</b>	<b>23,695,442</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 23,878,917</b>	<b>\$ 23,744,471</b>

*The accompanying notes are an integral part of these financial statements*

**Nisqually Land Trust**  
**A Washington Not For Profit Organization**

**Statement of Activities and Changes in Net Assets**

<b>Year Ended December 31, 2014</b>	<b>2014</b>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenue:</b>				
Grants	\$ 836,523	\$ -	\$ 206,513	\$ 1,043,036
Contributions	119,212	28,815	-	148,027
Fee For Service	69,937	-	-	69,937
Fundraising	113,479	-	-	113,479
Less Costs of Direct Benefits to Donors	(18,872)	-	-	(18,872)
Interest & Dividend Income	30,380	-	-	30,380
Inkind Donations	-	-	12,500	12,500
Timber Income	43,200	-	-	43,200
Rental Income	8,200	-	-	8,200
Miscellaneous Income	10,182	-	-	10,182
Released from Restrictions	56,782	(56,782)	-	-
<b>Total Support and Revenue</b>	<b>1,269,023</b>	<b>(27,967)</b>	<b>219,013</b>	<b>1,460,069</b>
<b>Expenses:</b>				
Program Services	1,039,377	-	-	1,039,377
Management and General	112,074	-	-	112,074
Fundraising	97,383	-	-	97,383
<b>Total Expenses</b>	<b>1,248,834</b>	<b>-</b>	<b>-</b>	<b>1,248,834</b>
<b>Other Revenue &amp; Expenses:</b>				
Gain (Loss) on Sale of Assets	(83,017)	-	-	(83,017)
Investment Income (Loss)	29,564	-	-	29,564
<b>Total Other Revenue &amp; Expenses</b>	<b>(53,453)</b>	<b>-</b>	<b>-</b>	<b>(53,453)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>(33,264)</b>	<b>(27,967)</b>	<b>219,013</b>	<b>157,782</b>
Net Assets, Beginning of Year	3,810,011	263,036	19,622,395	23,695,442
<b>Net Assets, End of Year</b>	<b>\$ 3,776,747</b>	<b>\$ 235,069</b>	<b>\$ 19,841,408</b>	<b>\$ 23,853,224</b>

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**Nisqually Land Trust**  
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**Statement of Activities and Changes in Net Assets**

<b>Year Ended December 31, 2013</b>	<b>2013</b>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenue:</b>				
Grants	\$ 500,469	\$ -	\$ 282,500	\$ 782,969
Contributions	175,423	78,071	-	253,494
Fee For Service	605	-	-	605
Fundraising	73,886	-	-	73,886
Less Costs of Direct Benefits to Donors	(15,811)	-	-	(15,811)
Interest & Dividend Income	33,822	-	-	33,822
Inkind Donations	280	-	290,000	290,280
Miscellaneous Income	1,326	-	-	1,326
Rental Income	16,634	-	-	16,634
Released from Restrictions	171,586	(33,386)	(138,200)	-
<b>Total Support and Revenue</b>	<b>958,220</b>	<b>44,685</b>	<b>434,300</b>	<b>1,437,205</b>
<b>Expenses:</b>				
Program Services	876,070	-	-	876,070
Management and General	104,128	-	-	104,128
Fundraising	114,101	-	-	114,101
<b>Total Expenses</b>	<b>1,094,299</b>	<b>-</b>	<b>-</b>	<b>1,094,299</b>
<b>Other Revenue &amp; Expenses:</b>				
Investment Income (Loss)	(11,114)	-	-	(11,114)
<b>Total Other Revenue &amp; Expenses</b>	<b>(11,114)</b>	<b>-</b>	<b>-</b>	<b>(11,114)</b>
<b>Increase (Decrease) in Net Assets</b>	<b>(147,193)</b>	<b>44,685</b>	<b>434,300</b>	<b>331,792</b>
Net Assets, Beginning of Year	3,957,204	218,351	19,188,095	23,363,650
<b>Net Assets, End of Year</b>	<b>\$ 3,810,011</b>	<b>\$ 263,036</b>	<b>\$ 19,622,395</b>	<b>\$ 23,695,442</b>

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**Statement of Cash Flows**

<b>Year Ended December 31,</b>	<b>2014</b>	<b>2013</b>
<b>Cash Flows from Operating Activities:</b>		
Increase (Decrease) in Net Assets	\$ 157,782	\$ 331,792
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided (Used) in Operating Activities:		
Depreciation	4,722	4,911
Bad Debts	-	8,349
Loss on Sale of Property	83,017	-
Property Transfers	-	368,200
Capitalized Inkind Donations	(12,500)	(290,000)
(Increase) Decrease in Prepaid Expense	556	(762)
(Increase) Decrease in Accounts Receivable	2,745	12,654
(Increase) Decrease in Grants Receivable	(18,658)	(22,362)
(Increase) Decrease in Investments	(37,942)	(556)
Increase (Decrease) in Accounts Payable	(16,971)	(7,721)
Increase (Decrease) in Payroll Taxes & Benefits	(6,365)	30
Increase (Decrease) in Security Deposit Payable	-	-
	<u>156,386</u>	<u>404,535</u>
<b>Net Cash Provided (Used) by Operating Activities</b>		
<b>Cash Flows from Investing Activities:</b>		
Investments Purchase	(161,102)	(698,360)
Investments Sales	150,219	-
Note Receivable Proceeds	-	240,000
Property Sale Proceeds	186,896	-
Cash Paid for Organization Costs	(5,850)	-
Cash Paid for Equipment	(2,138)	-
Cash Paid for Land Purchases	(230,213)	(512,500)
	<u>(62,188)</u>	<u>(970,860)</u>
<b>Net Cash Provided (Used) by Investing Activities</b>		
<b>Cash Flows from Financing Activities:</b>		
Payments of Long Term Debt	-	-
	<u>-</u>	<u>-</u>
<b>Net Cash Provided (Used) by Financing Activities</b>		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>94,198</b>	<b>(566,325)</b>
Cash at Beginning of Year	<u>590,187</u>	<u>1,156,512</u>
<b>Cash at End of Year</b>	<b><u>\$ 684,385</u></b>	<b><u>\$ 590,187</u></b>
<b>Supplemental Disclosures of Cash Flow Information:</b>		
Cash Paid During the Year for Interest	<u>\$ 19</u>	<u>\$ 6</u>

*The accompanying notes are an integral part of these financial statements.*



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**Statement of Functional Expenses**

**Year Ended December 31, 2014**

**2014**

	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries & Wages	\$ 176,697	\$ 38,652	\$ 60,739	\$ 276,088
Employee Benefits	17,524	4,436	5,940	27,900
Payroll Taxes	16,561	3,623	5,693	25,877
Office Expenses	12,699	8,679	14,971	36,349
Insurance	6,491	2,810	-	9,301
Information Technology	2,978	1,039	2,796	6,813
Property Taxes	19,956	-	-	19,956
Professional Services	300,308	37,732	6,075	344,115
Depreciation	-	4,722	-	4,722
Land Stewardship & Acquisition	42,406	135	-	42,541
Training & Conferences	845	-	690	1,535
Travel	16,048	1,815	337	18,200
Interest	-	19	-	19
Taxes & Fees-Other	14,749	687	142	15,578
Easement Acquisition Expense	411,499	-	-	411,499
Occupancy	616	7,725	-	8,341
<b>Total</b>	<b>\$ 1,039,377</b>	<b>\$ 112,074</b>	<b>\$ 97,383</b>	<b>\$ 1,248,834</b>

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**Statement of Functional Expenses**

**Year Ended December 31, 2013**

**2013**

	<b>Program Services</b>	<b>Management &amp; General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries & Wages	\$ 214,173	\$ 40,126	\$ 76,970	\$ 331,269
Employee Benefits	18,506	4,022	6,592	29,120
Payroll Taxes	20,176	3,764	7,251	31,191
Rent Expense	26	2,284	-	2,310
Telephone	3,659	685	1,315	5,659
Insurance	251	8,115	251	8,617
Information Technology	1,148	698	395	2,241
Printing & Postage	1,009	1,168	14,341	16,518
Property Taxes	19,096	-	-	19,096
Dues	363	3,102	600	4,065
Professional Services	165,120	19,286	-	184,406
Depreciation	3,081	1,830	-	4,911
Land Stewardship & Acquisition	33,437	-	-	33,437
Inkind Expense	-	30	250	280
Training & Conferences	-	1,140	295	1,435
Travel	13,174	1,161	1,507	15,842
Office Supplies	1,277	6,027	1,023	8,327
Interest	6	-	-	6
Other Taxes & Fees	7,525	630	2,794	10,949
Miscellaneous	5,347	1,661	218	7,226
Advertising	496	50	299	845
Bad Debts	-	8,349	-	8,349
Property Transfer	368,200	-	-	368,200
<b>Total</b>	<b>\$ 876,070</b>	<b>\$ 104,128</b>	<b>\$ 114,101</b>	<b>\$ 1,094,299</b>

*The accompanying notes are an integral part of these financial statements.*

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**Notes to Financial Statements**

**December 31, 2014 and 2013**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Organization, purpose and principal program--**

The Nisqually Land Trust (The Trust) is a not for profit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. The Trust was organized to provide for the conservation, preservation, and enhancement of property located in the Nisqually River and Delta area of Washington State.

The Trust receives a substantial amount of its annual support in the form of government grants. In the event one or more of the government programs from which the grants are received were to end or experience significant budget cuts, The Trust could experience a significant loss of support.

**Basis of accounting--**

The Trust's policy is to prepare its financial statements on the accrual basis of accounting. Revenue is recognized when earned, and expenditures are recognized when incurred. If an expenditure results in an asset having an estimated useful life which extends substantially beyond the year of acquisition, the expenditure is capitalized and depreciated or amortized over the estimated useful life of the asset

Grant funds are accounted for as unrestricted, temporarily restricted or permanently restricted as provided in the particular terms of the respective grant contracts. When restrictions on grant funds are met in the same year the funds are awarded, it is The Trust's policy to record the grant funds as unrestricted on the statement of activities and changes in net assets.

**Land, buildings and equipment--**

Land, buildings and equipment are recorded at cost. Property and equipment donated to The Trust are capitalized at their estimated fair market value. It is The Trust's policy to expense the acquisition cost of equipment in the year of purchase for items with a unit cost of less than \$1,000. Depreciation is provided using the straight-line method. A five-year life is used for both purchased and donated equipment. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts and any gain or loss is included in income.

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**Notes to Financial Statements**

**December 31, 2014 and 2013**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Estimates--**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Advertising--**

The Trust's policy is to expense advertising costs as they are incurred.

**B. RECOGNITION OF CONTRIBUTION REVENUE:**

The Trust reports gifts of cash and other assets as restricted support if they are received with donor stipulations limiting the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

The Trust reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets having explicit restrictions specifying how the assets are to be used, and gifts of cash or other assets to be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, The Trust reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

If the restrictions on a contribution are met in the same year that the contribution is received, it is The Trust's policy to record the contribution as unrestricted on the statement of activities and changes in net assets.

**C. PERMANENTLY RESTRICTED NET ASSETS:**

Permanently restricted net assets include land that was purchased with grant contracts and donor contributions that permanently restrict the land use. As of December 31, 2014 and 2013, the permanently restricted net assets balance was \$19,841,408 and \$19,622,395, respectively.

**Nisqually Land Trust**  
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**December 31, 2014 and 2013**

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**D. ECONOMIC DEPENDENCY:**

For 2014 and 2013, funding used to acquire land was primarily provided by the State of Washington Department of Natural Resources (Using US Department of Interior Funding), Pierce County Conservation Futures Program, Natural Resources Conservation Service, The Nisqually Indian Tribe, and the State of Washington Recreation and Conservation Office.

**E. TEMPORARILY RESTRICTED NET ASSETS:**

Temporarily restricted net assets balance as of December 31, 2014 and 2013 were \$235,069 and \$263,036, respectively, and are comprised of the unspent balance of donor contributions that are restricted for use in stewardship and property acquisition.

**F. LEASES:**

During 2010, The Trust entered into a memo of understanding with the United States Fish and Wildlife Service (USFWS). USFWS agreed to provide office space to The Trust free of charge at the Nisqually Wildlife Refuge. The Trust is responsible for utilities and janitorial services. The office lease expense for the years ended December 31, 2014 and 2013 was \$0 and \$0, respectively.

**G. INVESTMENTS & FAIR VALUE MEASUREMENTS:**

Trust investments in mutual funds and United States savings bonds are accounted for at fair value. As of December 31, 2014 and 2013, respectively, the investments had a cost basis of \$782,319 and \$721,112 and a fair value of \$781,182 and \$731,664. Investment income on the statement of activities and changes in net assets is the following:

Realized Gains (Losses)	\$ 942	\$ 2,850
Fees	(9,320)	(5,352)
Unrealized Gains (Losses)	<u>37,942</u>	<u>(8,612)</u>
Total	\$ <u>29,564</u>	\$ <u>(11,114)</u>

The Trust adopted Financial Accounting Standards ASC 820 as of January 1, 2009. ASC 820, Fair Value Measurements, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3

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**G. INVESTMENTS & FAIR VALUE MEASUREMENTS (CONTINUED):**

Measurements). The three levels of the fair value hierarchy under FASB ASC are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that The Trust has the ability to access.

Level 2: Inputs to valuation methodology include:

Quoted prices for similar assets or liabilities in active markets.

Quoted prices for identical or similar assets or liabilities in inactive markets.

Inputs other than quoted prices that are observable for the asset or liability.

Inputs that are principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014.

United States Savings Bonds: The investments are reported at original cost plus accrued interest.

Mutual Funds: Valued at net asset value of fund holdings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although The Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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**December 31, 2014 and 2013**

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**G. INVESTMENTS & FAIR VALUE MEASUREMENTS (CONTINUED):**

The following table sets forth by level, within the fair value hierarchy, The Trust's assets at fair value as of December 31, 2014:

Assets at Fair Value as of December 31, 2014				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ -	\$ 764,338	\$ -	\$ 764,338
US Savings Bonds	-	16,844	-	16,844
	-	16,844	-	16,844
Total Assets at Fair Value:	\$ -	\$ 781,182	\$ -	\$ 781,182

The following table sets forth by level, within the fair value hierarchy, The Trust's assets at fair value as of December 31, 2013:

Assets at Fair Value as of December 31, 2013				
	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ -	\$ 715,476	\$ -	\$ 715,476
US Savings Bonds	-	16,188	-	16,188
	-	16,188	-	16,188
Total Assets at Fair Value:	\$ -	\$ 731,664	\$ -	\$ 731,664

**H. CONTINGENCIES:**

Amounts received or receivable from federal and state government agencies are subject to audit and potential adjustment by the contracting agencies. Any disallowed claims, including amounts already collected, would become a liability of The Trust if so determined in the future. It is management's belief that no material amounts received or receivable will be required to be returned in the future.

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**I. GRANTS RECEIVABLE:**

Grants receivable are recorded to the extent of qualifying grant expenditures made during the current year that are to be reimbursed after year end.

Historically, bad debts have been immaterial. The Trust uses the direct write-off method, which is not in accordance with generally accepted accounting principles. When an amount becomes uncollectible, it is charged to expense in the year it is deemed to be uncollectible. During 2014 and 2013, there were bad debts of \$0 and \$8,349, respectively. As of December 31, 2014, management estimated that all grants receivable were collectible. The Trust considers accounts due over 90 days as past due. No interest is charged on past due receivables.

**J. INKIND REVENUE:**

The Trust received a donation of part of the value of an acquired property in 2014. The property was valued at \$59,000 and the Trust paid \$46,500 to acquire the property. The balance of \$12,500 is recorded as inkind revenue and was added to The Trust's basis in the land. The Trust received a property donation in 2013 valued at \$290,000. The donation is recorded as inkind revenue and as a capital asset. The Trust also received several smaller inkind donations during 2013.

**K. INCOME TAX & UNCERTAIN TAX POSITIONS :**

The Trust is a tax exempt non-profit organization under the Internal Revenue Code Section 501(c)(3) and is not classified as a private foundation. Accordingly, the financial statements do not include any provision for income taxes.

The Trust files income tax returns in the U.S. federal jurisdiction. The Trust is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2011. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

The Trust adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes on January 1, 2009. As of December 31, 2014, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.



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**L. RELATED PARTY TRANSACTIONS & LONG TERM DEBT:**

The Trust is a trustee of a nonexempt charitable trust. The purpose of the charitable trust is to purchase property in the Nisqually Delta area of Washington State for preservation and stewardship.

During 2014 and 2013, The Trust performed stewardship services for the charitable trust and received \$32,668 and \$11,267 for those services and costs advanced. The Trust also received \$12,439 and \$8,086 in trustee fees during 2014 and 2013, respectively. The charitable trust owed The Trust \$38,565 and \$0, respectively, at December 31, 2014 and 2013.

**M. BOARD DESIGNATED NET ASSETS:**

The Trust has purchased property located in the Nisqually River and Delta area of Washington State with unrestricted monies. The Board of Directors has designated the property for conservation, preservation, and enhancement. The Board has also designated certain funds to be used for specific purposes. As of December 31, 2014 and 2013, respectively, board designated assets totaled \$2,939,147 and \$3,183,417.

**N. MANAGEMENT & GENERAL EXPENSES:**

Management and general expenses were \$112,074 and \$104,128 in 2014 and 2013, respectively. During 2014, The Trust disbursed \$230,213 for property which has been capitalized on the statement of financial position. The capitalized expenditures plus total expenses on the statement of functional expenses totals \$1,479,047. Management and general expenses are approximately 8% of this total for 2014. During 2013, The Trust disbursed \$282,500 for property which has been capitalized on the statement of financial position. The capitalized expenditures plus total expenses on the statement of function expenses totals \$1,376,799. Management and general expenses are approximately 8% of this total for 2013.

**O. EXCESS DEPOSITS:**

The Trust, at times, maintains cash balances in financial institutions in excess of the FDIC insurance level of \$250,000. The Trust had cash balances in excess of FDIC coverage of \$142,385 and \$59,068 at December 31, 2014 and 2013, respectively. Additionally, investments are insured by the SIPC for a maximum of \$500,000 in coverage per institution, with a limit of \$250,000 for cash balances. The Trust had balances in excess of SPIC coverage of \$264,338 and \$215,476 as of December 31, 2014 and 2013, respectively. Management does not believe The Trust is subject to substantial risk of loss related to these balances.

**Nisqually Land Trust**  
**A Washington Not For Profit Organization**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

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**P. SUBSEQUENT EVENTS:**

No events have occurred through June 2, 2015, which is the date the financial statements were available to be issued based on client facts and circumstances, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2014.

**Q. NOTE RECEIVABLE:**

The Trust sold a house during 2010 for \$290,000. The Trust received a \$50,000 down payment and entered into a note arrangement with the buyer for the remaining \$240,000. The note was interest only at 6% per year with the principal balance originally due on April 12, 2013 which was later extended to July 12, 2013. The note was secured by the residence and was paid in full during 2013.