
NISQUALLY LAND TRUST
A Washington Not For Profit Organization

Financial Statements

For the Years Ended
December 31, 2015 and 2014

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 Nisqually Land Trust (the Trust), which comprise the statement of financial position as of December 31, 2015 and 2014, 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, 2015 and 2014, and changes in 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

June 1, 2016

Nisqually Land Trust
A Washington Not For Profit Organization

Statement of Financial Position
As of December 31, 2015 and December 31, 2014

Assets	2015	2014
Current Assets:		
Cash and cash equivalents	\$ 518,003	\$ 684,385
Accounts receivable	35,653	75
Grants receivable	114,861	99,773
Prepaid expenses	8,978	4,782
Total Current Assets	677,495	789,015
 Property & Equipment:		
Land	22,482,887	22,289,989
Equipment	49,619	49,619
Less: Accumulated depreciation	(41,122)	(36,738)
Property & Equipment, net	22,491,384	22,302,870
 Other Assets:		
Organization costs	5,850	5,850
Investments	988,120	781,182
Total Other Assets	993,970	787,032
 Total Assets	 \$ 24,162,849	 \$ 23,878,917

The accompanying notes are an integral part of these financial statements

Nisqually Land Trust

A Washington Not For Profit Organization

Consolidated Statement of Financial Position
As of December 31, 2015 and December 31, 2014

	<u>2015</u>	<u>2014</u>
Liabilities & Net Assets		
Current Liabilities:		
Accounts payable	\$ 34,538	\$ 9,507
Payroll taxes and benefits payable	17,172	15,786
Security deposit payable	400	400
Total Current Liabilities	<u>52,110</u>	<u>25,693</u>
Total Liabilities	<u>52,110</u>	<u>25,693</u>
Net Assets:		
Unrestricted		
Undesignated	888,044	837,600
Board designated	<u>2,692,147</u>	<u>2,939,147</u>
	3,580,191	3,776,747
Temporarily restricted	246,930	235,069
Permanently restricted	<u>20,283,618</u>	<u>19,841,408</u>
Total Net Assets	<u>24,110,739</u>	<u>23,853,224</u>
Total Liabilities & Net Assets	<u>\$ 24,162,849</u>	<u>\$ 23,878,917</u>

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
For the Year Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2015</u>
Support and Revenues:				
Grants	\$ 364,625	\$ -	\$ 727,486	\$ 1,092,111
Contributions	179,405	40,100	-	219,505
Fee for service	55,481	-	-	55,481
Fundraising	126,771	-	-	126,771
Less: costs of direct benefits to donors	(13,614)	-	-	(13,614)
Interest & dividends	31,887	-	-	31,887
Inkind donations	1,163	-	-	1,163
Timber revenue	25,057	-	-	25,057
Rental revenue	600	-	-	600
Miscellaneous revenue	129	-	-	129
Net assets released from restriction	<u>28,239</u>	<u>(28,239)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>799,743</u>	<u>11,861</u>	<u>727,486</u>	<u>1,539,090</u>
Expenses:				
Program services	523,879	-	-	523,879
Management and general	108,268	-	-	108,268
Fundraising	<u>85,477</u>	<u>-</u>	<u>-</u>	<u>85,477</u>
Total Expenses	<u>717,624</u>	<u>-</u>	<u>-</u>	<u>717,624</u>
Other Revenue & Expenses:				
Gain (loss) on sale of assets	916	-	-	916
Investment revenue (loss)	<u>(39,591)</u>	<u>-</u>	<u>-</u>	<u>(39,591)</u>
Total other revenue & expense	<u>(38,675)</u>	<u>-</u>	<u>-</u>	<u>(38,675)</u>
Change in Net Assets	43,444	11,861	727,486	782,791
Property Transfer	(240,000)	-	(285,276)	(525,276)
Net Assets, Beginning of Year	<u>3,776,747</u>	<u>235,069</u>	<u>19,841,408</u>	<u>23,853,224</u>
Net Assets, End of Year	<u>\$ 3,580,191</u>	<u>\$ 246,930</u>	<u>\$ 20,283,618</u>	<u>\$ 24,110,739</u>

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Nisqually Land Trust
A Washington Not For Profit Organization

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2014</u>
Support and Revenues:				
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 & dividends	30,380	-	-	30,380
Inkind donations	-	-	12,500	12,500
Timber revenue	43,200	-	-	43,200
Rental revenue	8,200	-	-	8,200
Miscellaneous revenue	10,182	-	-	10,182
Net assets released from restriction	<u>56,782</u>	<u>(56,782)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,269,023</u>	<u>(27,967)</u>	<u>219,013</u>	<u>1,460,069</u>
Expenses:				
Program services	1,039,377	-	-	1,039,377
Management and general	112,074	-	-	112,074
Fundraising	<u>97,383</u>	<u>-</u>	<u>-</u>	<u>97,383</u>
Total Expenses	<u>1,248,834</u>	<u>-</u>	<u>-</u>	<u>1,248,834</u>
Other Revenue & Expenses:				
Gain (loss) on sale of assets	(83,017)	-	-	(83,017)
Investment gain (loss)	<u>29,564</u>	<u>-</u>	<u>-</u>	<u>29,564</u>
Total other revenue & expense	<u>(53,453)</u>	<u>-</u>	<u>-</u>	<u>(53,453)</u>
Change in Net Assets	(33,264)	(27,967)	219,013	157,782
Net Assets, Beginning of Year	<u>3,810,011</u>	<u>263,036</u>	<u>19,622,395</u>	<u>23,695,442</u>
Net Assets, End of Year	<u>\$ 3,776,747</u>	<u>\$ 235,069</u>	<u>\$ 19,841,408</u>	<u>\$ 23,853,224</u>

The accompanying notes are an integral part of these financial statements

Nisqually Land Trust
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Statement of Functional Expenses
For the Year Ended December 31, 2015

	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total 2015</u>
Salaries	\$ 126,852	\$ 41,699	\$ 41,694	\$ 210,245
Employee benefits	38,796	14,343	12,752	65,891
Payroll taxes	12,737	4,187	4,187	21,111
Office expense	11,753	8,887	18,118	38,758
Insurance	6,740	2,758	-	9,498
Information technology	2,170	172	2,833	5,175
Property taxes	23,136	-	-	23,136
Professional services	268,956	22,820	6	291,782
Depreciation	3,015	1,369	-	4,384
Land stewardship & acquisition	14,613	-	-	14,613
Training & conferences	32	350	3,675	4,057
Travel	11,053	338	986	12,377
Interest	-	32	-	32
Taxes & fees-other	1,883	3,054	63	5,000
Inkind expense	-	-	1,163	1,163
Occupancy	2,143	8,259	-	10,402
Total Expenses	<u>\$ 523,879</u>	<u>\$ 108,268</u>	<u>\$ 85,477</u>	<u>\$ 717,624</u>

The accompanying notes are an integral part of these financial statements

Nisqually Land Trust
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Statement of Functional Expenses
For the Year Ended December 31, 2014

	<u>Program</u>	<u>Management and General</u>	<u>Fund- Raising</u>	<u>Total 2014</u>
Salaries	\$ 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 expense	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
Total Expenses	<u>\$ 1,039,377</u>	<u>\$ 112,074</u>	<u>\$ 97,383</u>	<u>\$ 1,248,834</u>

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

Nisqually Land Trust
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Statement of Cash Flows
For the Years Ended December 31, 2015 and December 31, 2014

	2015	2014
Cash flows from operating activities:		
Cash received from grantors, donors and customers	\$ 1,504,248	\$ 1,420,148
Cash paid to suppliers and employees	(737,782)	(1,285,745)
Cash received from interest and dividends	31,887	30,380
Cash paid for interest	(32)	(19)
Net cash provided (used) by operating activities	798,321	164,764
Cash flows from investing activities:		
Cash paid for equipment and improvements	-	(2,138)
Cash paid for investments	(296,249)	(169,480)
Cash received from investments	108,565	150,219
Cash paid for land	(725,174)	(230,213)
Cash paid for organization costs	-	(5,850)
Cash received from sale of land	7,916	186,896
Net cash provided (used) by investing activities	(904,942)	(70,566)
Cash flows from financing activities:		
Net cash provided (used) by financing activities	-	-
Net increase (decrease) in cash & cash equivalents	(106,621)	94,198
Cash & cash equivalents at beginning of year	624,624	590,187
Cash & cash equivalents at end of year	\$ 518,003	\$ 684,385

The accompanying notes are an integral part of these financial statements

Nisqually Land Trust
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Statement of Cash Flows
For the Years Ended December 31, 2015 and December 31, 2014

	2015	2014
Reconciliation of increase (decrease) in net assets to net cash provided (used) by operating activities:		
Increase (decrease) in net assets:	\$ 782,791	\$ 157,782
Adjustments:		
Depreciation	4,384	4,722
Loss on sale of property	-	83,017
Donated land	-	(12,500)
Investment (gain) loss	39,591	(29,564)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(35,578)	556
(Increase) decrease in grants receivable	(15,088)	2,745
(Increase) decrease in prepaid expense	(4,196)	(18,658)
Increase (decrease) in accounts payable	25,031	(16,971)
Increase (decrease) in payroll taxes & benefits	1,386	(6,365)
Increase (decrease) in security deposit payable	-	-
Net cash provided (used) by operating activities	\$ 798,321	\$ 164,764

The accompanying notes are an integral part of these financial statements

Nisqually Land Trust
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Notes to Financial Statements

December 31, 2015 and 2014

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.

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.

Nisqually Land Trust
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Notes to Financial Statements

December 31, 2015 and 2014

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, 2015 and 2014, the permanently restricted net assets balance was \$20,283,618 and \$19,841,408, respectively.

D. ECONOMIC DEPENDENCY:

For 2015 and 2014, 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, 2015 and 2014 were \$246,930 and \$235,069, 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, 2015 and 2014 was \$0 and \$0, respectively.

Nisqually Land Trust
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Notes to Financial Statements

December 31, 2015 and 2014

G. INVESTMENTS & FAIR VALUE MEASUREMENTS:

The Trust investments in mutual funds, United States savings bonds, and investments with local community foundations are accounted for at fair value. As of December 31, 2015 and 2014, respectively, the investments had a cost basis of \$980,408 and \$782,319 and a fair value of \$988,120 and \$781,182. Investment income on the statement of activities and changes in net assets is the following:

	<u>2015</u>	<u>2014</u>
Realized Gains (Losses)	\$ (6,581)	\$ 942
Fees	(10,084)	(9,320)
Unrealized Gains (Losses)	<u>(22,926)</u>	<u>37,942</u>
Total	<u>\$ (39,591)</u>	<u>\$ 29,564</u>

The Trust follows United States generally accepted accounting principles which requires establishing 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 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.

Nisqually Land Trust
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Notes to Financial Statements

December 31, 2015 and 2014

G. INVESTMENTS & FAIR VALUE MEASUREMENTS (CONTINUED):

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, 2015.

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

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

Community Foundation Investments: Valued at Trust share of Foundation investments as reported by the custodian.

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.

The following table sets forth by level, within the fair value hierarchy, The Trust's assets at fair value as of December 31, 2015:

Assets at Fair Value as of December 31, 2015

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ -	\$ 950,642	\$ -	\$ 950,642
Community Foundations	-	19,952	-	-
US Savings Bonds	-	17,526	-	17,526
Total Assets at Fair Value:	<u>\$ -</u>	<u>\$ 988,120</u>	<u>\$ -</u>	<u>\$ 968,168</u>

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

Nisqually Land Trust
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Notes to Financial Statements

December 31, 2015 and 2014

G. INVESTMENTS & FAIR VALUE MEASUREMENTS (CONTINUED):

Assets at Fair Value as of December 31, 2014

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ -	\$ 764,338	\$ -	\$ 764,338
US Savings Bonds	-	16,844	-	16,844
Total Assets at Fair Value:	<u>\$ -</u>	<u>\$ 781,182</u>	<u>\$ -</u>	<u>\$ 781,182</u>

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.

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 2015 and 2014, there were bad debts of \$0 and \$0, respectively. As of December 31, 2015, 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 also receives various inkind donations of material and services for use in activities. These donated amounts are reflected as inkind revenue and expense in the financial statements.

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Notes to Financial Statements

December 31, 2015 and 2014

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 2012. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS) or any other state or federal taxing authority.

The Trust follows generally accepted accounting principles in determining and reporting any uncertain tax positions. As of December 31, 2015, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

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 2015 and 2014, The Trust performed stewardship services for the charitable trust and is compensated for acting as trustee. The Trust received \$55,246 and \$45,107 for those services and costs advanced. The charitable trust owed The Trust \$31,300 and \$38,565, respectively, at December 31, 2015 and 2014.

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, 2015 and 2014, respectively, board designated assets totaled \$2,692,147 and \$2,939,147.

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Notes to Financial Statements

December 31, 2015 and 2014

N. MANAGEMENT & GENERAL EXPENSES:

Management and general expenses were \$108,268 and \$112,074 in 2015 and 2014, respectively. During 2015, The Trust disbursed \$725,174 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 \$1,249,053. Management and general expenses are approximately 9% of this total for 2015. 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 function expenses totals \$1,479,047. Management and general expenses are approximately 8% of this total for 2014.

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 \$9,101 and \$142,385 at December 31, 2015 and 2014, 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 \$291,880 and \$264,338 as of December 31, 2015 and 2014, respectively. Management does not believe The Trust is subject to substantial risk of loss related to these balances.

P. SUBSEQUENT EVENTS:

No events have occurred through June 1, 2016, 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, 2015.

Q. PROPERTY TRANSFER:

The Trust transferred property to the Nisqually Indian Tribe during 2015. The tribal entity will continue to maintain the property to preserve conservation values. The property had an original cost basis of \$525,276 to The Trust. The transfer is presented on the statement of activities and changes in net assets as a reduction in both unrestricted and permanently restricted net assets.