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May 29, 2009

To the Board of Trustees  
Newfound Lake Region Association  
800 Lake Street  
Bristol, NH 03222

We have reviewed the accompanying statements of financial position of Newfound Lake Region Association (a non-profit corporation) as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years 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 Newfound Lake Region Association.

A review consists principally of inquiries of Organization 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.

Our 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 supplementary schedules 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.

*Malone, Dirubbo & Company, P.C.*

Malone, Dirubbo & Company, P.C.

Newfound Lake Region Association  
 Statements of Financial Position  
 As of December 31

ASSETS

	<u>2008</u>	<u>2007</u>
<b>Current Assets</b>		
Cash	\$ 15,464	\$ 25,280
Certificate of Deposit	16,910	42,090
Prepaid Expenses	4,315	6,851
Pledge Receivable	0	5,000
Grants Receivable	<u>0</u>	<u>6,000</u>
Total Current Assets	36,689	85,221
<b>Fixed Assets</b>		
Office Equipment	5,338	5,338
Transportation Equipment	11,031	12,123
Equipment	5,852	5,852
Boat Slip	12,290	12,290
Accumulated Depreciation	<u>(17,577)</u>	<u>(15,037)</u>
Total Fixed Assets	16,934	20,566
<b>Other Assets</b>		
Cash - Restricted	41,772	22,878
Lake Emergency Fund CD - Board Restricted	15,722	15,305
Investment Securities - Restricted	<u>181,327</u>	<u>246,568</u>
Total Other Assets	<u>238,821</u>	<u>284,751</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 292,444</u></u>	<u><u>\$ 390,538</u></u>

LIABILITIES AND NET ASSETS

	<u>2008</u>	<u>2007</u>
Current Liabilities		
Accounts Payable	\$ 1,268	\$ 7,346
Other Payables	0	103
Accrued Payroll	3,030	2,274
Payroll Taxes Payable	<u>2,683</u>	<u>2,465</u>
Total Current Liabilities	6,981	12,188
Net Assets		
Unrestricted	52,213	108,904
Temporarily Restricted	6,814	45,510
Permanently Restricted	<u>226,436</u>	<u>223,936</u>
Total Net Assets	<u>285,463</u>	<u>378,350</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 292,444</u></u>	<u><u>\$ 390,538</u></u>

Newfound Lake Region Association  
 Statements of Activities  
 For the Years Ended December 31

UNRESTRICTED NET ASSETS	<u>2008</u>	<u>2007</u>
Support		
Annual Fund Income	\$ 55,727	\$ 51,977
Membership Dues	54,245	50,286
DES Contract	51,320	39,980
Events Income	7,429	9,322
In-kind Donations	3,743	3,300
Unrestricted Support	3,150	0
Miscellaneous Income	138	2,286
Investment Income	9,652	10,388
Loss on Sale of Asset	<u>(237)</u>	<u>0</u>
Total Support	185,167	167,539
Net Assets Released From Donor Restrictions	<u>7,436</u>	<u>17,050</u>
	192,603	184,589
Expenses and Losses		
Program Services	152,557	124,852
Management and General	28,190	32,583
Fundraising	<u>40,719</u>	<u>16,541</u>
Total Expenses	221,466	173,976
Excess Unrealized Losses on Investments	<u>27,828</u>	<u>0</u>
	249,294	173,976
Increase (Decrease) in Unrestricted Net Assets	<u>(56,691)</u>	<u>10,613</u>
TEMPORARILY RESTRICTED NET ASSETS		
Grants	14,250	15,000
Realized Gains	4,344	12,395
Unrealized Losses on Investments	(49,854)	(6,270)
Net Assets Released	<u>(7,436)</u>	<u>(17,050)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>(38,696)</u>	<u>4,075</u>
PERMANENTLY RESTRICTED NET ASSETS		
Endowment Contributions	<u>2,500</u>	<u>27,500</u>
Increase ( Decrease) in Permanently Restricted Net Assets	<u>2,500</u>	<u>27,500</u>
TOTAL INCREASE (DECREASE) IN NET ASSETS	(92,887)	42,188
NET ASSETS BEGINNING OF YEAR	<u>378,350</u>	<u>336,162</u>
NET ASSETS END OF YEAR	<u>\$ 285,463</u>	<u>\$ 378,350</u>

See accompanying notes and accountants' report