

GREAT LAKES AQUATIC HABITAT NETWORK
AND FUND, INC.

d/b/a FRESHWATER FUTURE
(a Michigan nonprofit corporation)

FINANCIAL STATEMENTS

(reviewed)

for the year ended September 30, 2009

MASON & KAMMERMANN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CHARLEVOIX, MICHIGAN

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November 16, 2009

To the Board of Trustees of Great Lakes Aquatic
Habitat Network and Fund, Inc. (d/b/a Freshwater Future):

We have reviewed the accompanying statement of financial position of Great Lakes Aquatic Habitat Network and Fund, Inc. (a nonprofit organization) as of September 30, 2009, and the related statements of activities 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 Great Lakes Aquatic Habitat Network and Fund, Inc. The prior year summarized comparative information has been derived from the Organization's 2008 financial statements and, in our report dated November 7, 2008, we expressed an unqualified opinion on those financial statements.

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 schedule 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.

Mason & Kammermann, P.C.

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GREAT LAKES AQUATIC HABITAT NETWORK AND FUND, INC.
d/b/a FRESHWATER FUTURE

STATEMENT OF FINANCIAL POSITION

As of September 30, 2009

(with comparative totals as of September 30, 2008)

ASSETS

	<u>2009</u>	<u>2008</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 134,442	\$ 136,914
Accounts receivable	14,469	-
Prepaid expenses	<u>1,421</u>	<u>531</u>
Total current assets	150,332	137,445
FURNITURE AND EQUIPMENT:		
Furniture	1,174	1,174
Equipment	<u>5,141</u>	<u>5,141</u>
	6,315	6,315
Less accumulated depreciation	<u>(2,576)</u>	<u>(1,453)</u>
Total fixed assets	<u>3,739</u>	<u>4,862</u>
Total assets	<u>\$ 154,071</u>	<u>\$ 142,307</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 19,061	\$ 14,444
Accrued expenses	<u>4,421</u>	<u>3,266</u>
Total current liabilities	23,482	17,710
NET ASSETS:		
Unrestricted	74,339	39,347
Temporarily restricted	<u>56,250</u>	<u>85,250</u>
Total net assets	<u>130,589</u>	<u>124,597</u>
Total liabilities and net assets	<u>\$ 154,071</u>	<u>\$ 142,307</u>

See Accountant's Review Report.

The accompanying notes are a part of the financial statements.

GREAT LAKES AQUATIC HABITAT NETWORK AND FUND, INC.
d/b/a FRESHWATER FUTURE

STATEMENT OF ACTIVITIES

for the year ended September 30, 2009

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES AND SUPPORT:			
Contributions	\$ 53,993	\$ -	\$ 53,993
Grants	-	252,371	252,371
Program fees	7,549	-	7,549
Special events	7,249	-	7,249
Investment income	3,526	-	3,526
Net assets released from restrictions	<u>281,371</u>	<u>(281,371)</u>	<u>-</u>
Total revenues and support	353,688	(29,000)	324,688
EXPENSES:			
Program expenses			
Grants	94,408	-	94,408
Publications	41,282	-	41,282
Networking	80,316	-	80,316
Strategy Assistance	<u>55,814</u>	<u>-</u>	<u>55,814</u>
Total program expenses	271,820	-	271,820
Supporting Services:			
General and administrative	21,196	-	21,196
Fund-raising	<u>25,680</u>	<u>-</u>	<u>25,680</u>
Total program expenses	<u>46,876</u>	<u>-</u>	<u>46,876</u>
Total expenses	<u>318,696</u>	<u>-</u>	<u>318,696</u>
Change in net assets	34,992	(29,000)	5,992
NET ASSETS, October 1, 2008	<u>39,347</u>	<u>85,250</u>	<u>124,597</u>
NET ASSETS, September 30, 2009	<u>\$ 74,339</u>	<u>\$ 56,250</u>	<u>\$ 130,589</u>

See Accountant's Review Report.

The accompanying notes are a part of the financial statements.

GREAT LAKES AQUATIC HABITAT NETWORK AND FUND, INC
d/b/a FRESHWATER FUTURE

STATEMENT OF CASH FLOWS

for the year ended September 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 5,992
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation	1,123
Increase in accounts receivable	(14,469)
Increase in prepaid expenses	(890)
Increase in accounts payable and accrued expenses	<u>5,772</u>
Total adjustments	<u>(8,464)</u>
Net cash used by operating activities	(2,472)
CASH AND CASH EQUIVALENTS, October 1, 2008	<u>136,914</u>
CASH AND CASH EQUIVALENTS, September 30, 2009	<u>\$ 134,442</u>

SUPPLEMENTAL DISCLOSURES:

Interest paid	\$ -
Taxes paid	-

See Accountant's Review Report.

The accompanying notes are a part of the financial statements.

GREAT LAKES AQUATIC HABITAT NETWORK AND FUND, INC.
d/b/a FRESHWATER FUTURE

NOTES TO FINANCIAL STATEMENTS

for the year ended September 30, 2009

NOTE A - NATURE OF ACTIVITIES:

The Great Lakes Aquatic Habitat Network and Fund, Inc. was organized to promote the protection and enhancement of water quality and water resources in the Great Lakes.

The Organization is supported primarily by various private grants, investment income and donations from supporters.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting.

Basis of Presentation

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash in bank includes checking and savings accounts and certificates of deposit. For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of twelve months or less to be cash equivalents. Cash and cash equivalents, \$134,442 as of September 30, 2009, are fully insured.

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NOTES TO FINANCIAL STATEMENTS

for the year ended September 30, 2009

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and Equipment

Land, buildings and equipment are stated at cost for purchased items and market value at the date of donation for donated items. Depreciable assets are being depreciated over their estimated useful lives using the straight-line method. The Organization capitalizes property and equipment having a purchased cost or donated value in excess of \$1,000. Depreciation totaled \$1,123 for the year.

Use of 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 those estimates.

NOTE C - INCOME TAX STATUS:

The Internal Revenue Service has determined the Organization to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, the financial statements reflect no provision or liability for federal income tax.

NOTE D - OPERATING LEASE:

The Organization leases its office space under a one-year lease expiring March 31, 2010 at \$400 per month.

NOTE E - PENSION PLAN:

The Organization has a Simple IRA plan, where all full-time employees are eligible to participate. Employee contributions are matched dollar for dollar up to 3% of their pay.

for the year ended September 30, 2009

