

SOCIETY FOR THE PROTECTION OF
NEW HAMPSHIRE FORESTS

FINANCIAL REPORT

APRIL 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Society for the Protection of New Hampshire Forests
Concord, New Hampshire 03301

Opinion

We have audited the accompanying financial statements of the Society for the Protection of New Hampshire Forests, which comprise the statements of financial position as of April 30, 2024 and 2023, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society for the Protection of New Hampshire Forests as of April 30, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society for the Protection of New Hampshire Forests and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society for the Protection of New Hampshire Forests' ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Society for the Protection of New Hampshire Forests' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society for the Protection of New Hampshire Forests' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Nathan Wechaler & Company

Concord, New Hampshire
August 7, 2024

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF FINANCIAL POSITION

April 30, 2024 and 2023

		ASSETS	
		2024	2023
CURRENT ASSETS			
Cash and cash equivalents	\$	2,548,050	\$ 2,028,973
US Treasury bills		5,845,269	6,850,101
Accrued interest on US Treasury bills		75,424	-
Current portion of contributions receivable		434,000	2,587,142
Other receivables		47,782	67,066
Inventories		15,800	7,256
Prepaid expenses		112,854	101,987
<i>Total current assets</i>		9,079,179	11,642,525
PROPERTY AND EQUIPMENT, NET		9,095,512	6,700,309
INVESTMENTS AND OTHER ASSETS			
Investments		17,796,355	15,596,680
Contributions receivable, long-term, net		11,753	161,107
Inventories, long-term		48,218	48,606
		17,856,326	15,806,393
LAND		71,309,348	67,265,044
<i>Total assets</i>		\$ 107,340,365	\$ 101,414,271
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Current portion of notes payable	\$	65,491	\$ 11,250
Line of credit		-	710,554
Current portion of annuities payable		11,481	20,981
Accounts payable		105,445	372,035
Accrued liabilities		299,160	274,180
<i>Total current liabilities</i>		481,577	1,389,000
LONG-TERM LIABILITIES			
Notes payable, less current portion		1,655,959	67,500
Annuities payable, less current portion, net		69,329	89,261
		1,725,288	156,761
<i>Total liabilities</i>		2,206,865	1,545,761
COMMITMENTS (See Notes)			
NET ASSETS			
Without donor restrictions		6,165,822	6,354,942
Without donor restriction - invested in land, property and equipment		9,950,048	7,554,845
<i>Total net assets without donor restrictions (Note 13)</i>		16,115,870	13,909,787
With donor restrictions		18,562,818	19,548,215
With donor restriction - invested in land		70,454,812	66,410,508
<i>Total net assets with donor restrictions (Note 12)</i>		89,017,630	85,958,723
<i>Total net assets</i>		105,133,500	99,868,510
<i>Total liabilities and net assets</i>		\$ 107,340,365	\$ 101,414,271

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended April 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and support						
Annual fund	\$ 775,170	\$ -	\$ 775,170	\$ 680,672	\$ -	\$ 680,672
Contributions	174,001	1,681,927	1,855,928	4,604	2,257,942	2,262,546
Bequests	402,914	-	402,914	1,366,132	-	1,366,132
Endowment gifts	-	1,120,877	1,120,877	-	136,400	136,400
Grants	62,050	1,467,885	1,529,935	105,775	1,692,625	1,798,400
Contributions of land	-	1,302,350	1,302,350	-	959,000	959,000
Dues	505,255	-	505,255	460,009	-	460,009
Rental	381,841	-	381,841	392,210	-	392,210
Forest operations	577,202	-	577,202	470,235	-	470,235
Reimbursement for services	59,739	-	59,739	79,444	-	79,444
Sale of materials	268,724	-	268,724	309,788	-	309,788
Donated conservation easements, goods and services	2,212,000	-	2,212,000	1,105,000	-	1,105,000
Miscellaneous income	3,280	-	3,280	6,117	-	6,117
<i>Total revenue and support</i>	5,422,176	5,573,039	10,995,215	4,979,986	5,045,967	10,025,953
Net assets released from restrictions for satisfaction of purpose restrictions	3,739,786	(3,739,786)	-	3,286,308	(3,286,308)	-
<i>Total revenue, support and net assets released from restriction</i>	9,161,962	1,833,253	10,995,215	8,266,294	1,759,659	10,025,953
Program expenses						
Land and easement stewardship	2,524,486	-	2,524,486	2,305,344	-	2,305,344
Land protection	3,591,770	-	3,591,770	1,797,747	-	1,797,747
Education and outreach	450,086	-	450,086	425,651	-	425,651
Membership	347,292	-	347,292	308,968	-	308,968
Policy	94,061	-	94,061	92,873	-	92,873
	7,007,695	-	7,007,695	4,930,583	-	4,930,583
Supporting services and general expenses						
Fundraising	513,940	-	513,940	467,334	-	467,334
Finance and administration	925,729	-	925,729	884,230	-	884,230
	1,439,669	-	1,439,669	1,351,564	-	1,351,564
<i>Total functional expenses</i>	8,447,364	-	8,447,364	6,282,147	-	6,282,147
<i>Increase in net assets from operations</i>	714,598	1,833,253	2,547,851	1,984,147	1,759,659	3,743,806
Nonoperating gains (losses) and other changes						
Investment income, net of fees	521,847	285,821	807,668	234,710	274,618	509,328
Realized and unrealized gains (losses) on investments	376,350	939,833	1,316,183	(102,622)	(243,520)	(346,142)
Gain on insurance proceeds for property damage (Note 16)	593,288	-	593,288	-	-	-
<i>Total nonoperating gains and other changes</i>	1,491,485	1,225,654	2,717,139	132,088	31,098	163,186
<i>Increase in net assets</i>	2,206,083	3,058,907	5,264,990	2,116,235	1,790,757	3,906,992
Net assets, beginning of year	13,909,787	85,958,723	99,868,510	11,793,552	84,167,966	95,961,518
Net assets, end of year	\$ 16,115,870	\$ 89,017,630	\$ 105,133,500	\$ 13,909,787	\$ 85,958,723	\$ 99,868,510

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF CASH FLOWS
Years Ended April 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 5,264,990	\$ 3,906,992
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	271,857	213,033
Realized and unrealized (gains) losses on investments	(1,316,183)	346,142
Reinvested income	(413,592)	(390,345)
Accrued interest on US Treasury bills	(75,424)	-
Contributions of land received	(1,302,350)	(959,000)
Gain on insurance proceeds for property damage	(593,288)	-
Gifts restricted for endowment and capital cost of land acquisitions	(1,120,877)	(250,300)
Increase (decrease) in value of charitable gift annuities	(29,432)	3,852
(Increase) decrease in contributions receivable	2,302,496	(1,762,591)
(Increase) decrease in other receivables	19,284	(39,234)
Increase in prepaid expenses	(10,867)	(29,042)
(Increase) decrease in inventories	(8,156)	911
Increase (decrease) in accounts payable	(266,590)	271,012
Increase in accrued liabilities	24,980	64,058
<i>Net cash provided by operating activities</i>	2,746,848	1,375,488
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	813,478	1,053,712
Purchases of investments	(1,283,378)	(772,291)
Proceeds from sale of US Treasury bills	14,197,090	-
Purchases of US Treasury bills	(13,192,258)	(6,850,101)
Insurance proceeds from fire related to property loss	593,288	-
Cash paid for land	(2,741,954)	(333,554)
Cash paid for property and equipment	(2,667,060)	(3,138,168)
<i>Net cash used in investing activities</i>	(4,280,794)	(10,040,402)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net advance on line of credit	-	710,554
Net proceeds from notes payable	958,001	-
Repayments on notes payable	(25,855)	(11,250)
Gifts restricted for endowment and capital cost of land acquisitions	1,120,877	250,300
<i>Net cash provided by financing activities</i>	2,053,023	949,604
<i>Net increase (decrease) in cash and cash equivalents</i>	519,077	(7,715,310)
Cash and cash equivalents, beginning of year	2,028,973	9,744,283
<i>Cash and cash equivalents, end of year</i>	\$ 2,548,050	\$ 2,028,973

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended April 30, 2024 and 2023

	2024	2023
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 61,379	\$ 1,804
Cash payments for taxes	\$ 1,747	176
SUPPLEMENTAL DISCLOSURE OF NON CASH FINANCING ACTIVITIES		
Conversion of line of credit to notes payable		
Proceeds from notes payable	\$ 1,668,555	-
Line of credit conversion	(710,554)	-
Net proceeds from notes payable	<u>\$ 958,001</u>	<u>-</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended April 30, 2024

	Land and Easement Stewardship	Land Protection	Education and Outreach	Membership	Policy	Fundraising	Finance and Administration	Total
Salaries and wages	\$ 1,077,843	\$ 245,633	\$ 255,455	\$ 177,684	\$ 71,145	\$ 339,848	\$ 485,982	\$ 2,653,590
Employee benefits	270,467	65,230	65,920	47,584	18,896	97,747	160,234	726,078
<i>Total salaries and related expenses</i>	1,348,310	310,863	321,375	225,268	90,041	437,595	646,216	3,379,668
Donated conservation easements	-	2,212,000	-	-	-	-	-	2,212,000
Professional services	287,065	437,778	41,375	24,705	844	1,302	163,005	956,074
Building and grounds	367,378	41,542	4,237	1,997	1,056	856	14,221	431,287
Conservation easements	-	270,000	-	-	-	-	-	270,000
Land transaction assistance and grants	-	188,596	-	-	-	-	-	188,596
Supplies and postage	46,583	940	16,467	24,062	5	53,125	30,384	171,566
Advertising and printing	8,887	1,908	40,571	49,377	-	1,563	-	102,306
Travel expenses, conferences and dues	67,282	6,417	6,563	267	1,436	1,723	16,791	100,479
Credit loss expense/pledge write off	-	82,786	-	-	-	-	-	82,786
Cost of sales	76,506	1,110	91	3,306	-	-	1,690	82,703
Program and event expenses	14,093	12,882	4,959	17,679	679	782	16,881	67,955
Subscriptions and documents	5,536	9,074	13,466	631	-	-	2,870	31,577
Bank and credit card fees	3,903	115	-	-	-	14,900	1,624	20,542
Change in present value of annuities	-	-	-	-	-	-	10,549	10,549
Miscellaneous expense	951	162	149	-	-	2,094	2,684	6,040
<i>Total expenses before interest & depreciation</i>	2,226,494	3,576,173	449,253	347,292	94,061	513,940	906,915	8,114,128
Depreciation	252,210	-	833	-	-	-	18,814	271,857
Interest	45,782	15,597	-	-	-	-	-	61,379
	297,992	15,597	833	-	-	-	18,814	333,236
<i>Total expenses</i>	\$ 2,524,486	\$ 3,591,770	\$ 450,086	\$ 347,292	\$ 94,061	\$ 513,940	\$ 925,729	\$ 8,447,364

See Notes to Financial Statements.

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SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended April 30, 2023

	Land and Easement Stewardship	Land Protection	Education and Outreach	Membership	Policy	Fundraising	Finance and Administration	Total
Salaries and wages	\$ 983,522	\$ 214,581	\$ 238,268	\$ 175,358	\$ 69,602	\$ 301,011	\$ 447,913	\$ 2,430,255
Employee benefits	262,551	60,990	63,668	49,814	19,882	86,204	149,319	692,428
<i>Total salaries and related expenses</i>	1,246,073	275,571	301,936	225,172	89,484	387,215	597,232	3,122,683
Donated conservation easements	-	1,105,000	-	-	-	-	-	1,105,000
Professional services	313,576	244,079	39,965	20,905	1,401	300	173,069	793,295
Building and grounds	351,450	1,411	4,734	1,803	844	2,581	15,084	377,907
Supplies and postage	44,852	1,455	13,798	15,098	31	49,607	28,153	152,994
Land transaction assistance and grants	-	148,773	-	-	-	-	-	148,773
Cost of sales	74,677	-	-	2,785	-	-	138	77,600
Travel expenses, conferences and dues	55,173	4,886	5,041	56	735	683	9,697	76,271
Advertising and printing	5,061	1,169	43,350	10,299	-	7,463	180	67,522
Program and event expenses	13,268	5,815	3,897	8,980	280	629	19,628	52,497
Subscriptions and documents	3,440	8,740	12,775	1,132	30	320	2,449	28,886
Bank and credit card fees	3,350	-	-	-	-	17,686	5,409	26,445
Credit loss expense/pledge write off	-	-	-	22,738	-	-	-	22,738
Change in present value of annuities	-	-	-	-	-	-	12,406	12,406
Miscellaneous expense	495	702	101	-	-	850	145	2,293
<i>Total expenses before interest & depreciation</i>	2,111,415	1,797,601	425,597	308,968	92,805	467,334	863,590	6,067,310
Depreciation	192,125	146	54	-	68	-	20,640	213,033
Interest	1,804	-	-	-	-	-	-	1,804
	193,929	146	54	-	68	-	20,640	214,837
<i>Total expenses</i>	\$ 2,305,344	\$ 1,797,747	\$ 425,651	\$ 308,968	\$ 92,873	\$ 467,334	\$ 884,230	\$ 6,282,147

See Notes to Financial Statements.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities

The Society for the Protection of New Hampshire Forests (the “Forest Society”) is a nonprofit membership organization founded in 1901 to protect the State’s most important landscapes and promote wise use of its renewable natural resources. The Forest Society’s major sources of revenue consist of contributions, grants and investment income.

The Forest Society achieved accreditation with the Land Trust Accreditation Commission in 2013 and was renewed as required in 2019.

The Forest Society website is <http://www.forestsociety.org>.

Note 2. Significant Accounting Policies

Basis of accounting: The financial statements of the Forest Society have been prepared on the accrual basis; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Net assets: The Forest Society reports information regarding its financial position and activities according to two categories of net assets: net assets with donor restrictions and net assets without donor restrictions. Descriptions of these net asset categories are as follows:

Net assets without donor restrictions: Net assets without donor restrictions are available for use at the discretion of the Board of Trustees and/or management for general operating purposes. From time to time the Board of Trustees designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions: Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions and also includes the accumulated appreciation and depreciation related to donor-restricted endowment funds.

The Forest Society reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Forest Society to expend the income generated by the assets in accordance with the donor restrictions and contributions which require by donor restriction that the full amount be spent on acquiring assets to be held permanently (typically fee interest in land). Net assets with donor restrictions also include holdings of land which the Forest Society acquired by donation or purchase that are intended to be protected indefinitely.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

See Note 12 for more information on the composition of net assets with donor restrictions.

Cash and cash equivalents: Cash and cash equivalents include all money market accounts and investments purchased with remaining maturities of three months or less.

Other receivables: Accounts receivable are recorded primarily for rent and program service fees on any unpaid balances. Accounts receivable are recorded when invoices are issued and are presented on the statements of financial position net of the allowance for credit losses. At each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated either based on individual accounts or on a pooled basis where similar risk characteristics exist. Accounts receivable deemed uncollectible are removed from accounts receivable and the allowance for credit losses when collection efforts have been exhausted.

Allowance for credit losses: The Forest Society establishes an allowance for credit loss on financial assets measured at amortized cost, such as other receivables. At each statement of financial position date, the Forest Society assesses the need to recognize an expected allowance for credit losses. Management assesses credit loss based on historical experience that is adjusted for current conditions and supportable forecasts when applicable. Management has determined that an allowance for credit losses did not have a material impact on results of operations or any impact on cash flows. Accounts receivable are considered to be fully collectible and, accordingly, no allowance for credit loss was considered necessary at April 30, 2024 and 2023. Total credit loss expense for the years ended April 30, 2024 and 2023, was \$82,786 and \$22,738, respectively.

Inventories: Inventories are valued at net realizable value for mature Christmas trees, at cost for immature Christmas trees, and lower of cost or net realizable value for gift shop items.

Inventory consists of the following:

April 30,	2024	2023
Current:		
Gift shop	\$ 14,481	\$ 5,935
Christmas trees expected to be sold within one year	1,319	1,321
<i>Total current</i>	<u>15,800</u>	<u>7,256</u>
Long-term:		
Christmas trees not expected to be sold within one year	48,218	48,606
<i>Total inventory</i>	<u>\$ 64,018</u>	<u>\$ 55,862</u>

Investments: The Forest Society accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments with readily determinable values and all investments in debt securities are stated at their fair value in the statements of financial position. Investments in marketable securities are carried at market value in accordance with generally accepted accounting principles. Unrealized gains and losses are included in the changes of net assets in the accompanying statements of activities and changes in net assets. Investment income is recorded on the accrual basis.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Leases: In fiscal year 2023, the Forest Society adopted ASU 2016-02, *Leases* (Topic 842), which provides guidance from both the lessor's and lessee's perspective. The main difference between previous generally accepted accounting principles (GAAP) and Topic 842 is the recognition of lease assets and lease liabilities for those leases classified as operating leases.

The Forest Society leases a postage meter from an unrelated party on a short-term basis. At April 30, 2024 and 2023, the total lease payments including supplies and postage amounted to \$3,099 and \$2,864, respectively. As this lease is considered short-term, it has not been included in the right-of-use asset and liabilities on the Forest Society's statements of financial position.

The Forest Society leases office space to unrelated parties on a day-to-day basis. Rental income for the years ended April 30, 2024 and 2023 from these leases amounted to \$66,832 and \$55,473, respectively.

The Forest Society also leases property to an unrelated party with a lease term of 30 years ending December 31, 2028. Income from this lease is calculated based on a percentage of the lessee's revenue, therefore is variable and is not included on the statements of financial position. Income from this lease for the years ended April 30, 2024 and 2023, amounted to \$290,953 and \$299,186, respectively.

Land: Purchased land and donated land are recorded at their fair value upon date of receipt.

The Forest Society holds title to various tracts of land for several different purposes, as follows:

- Permanent land holdings are those tracts which the Forest Society acquired by donation or purchase that are intended to be protected indefinitely. These include the sites of Forest Society's programs or conservation projects and tracts having certain natural features which the Forest Society deems worthy of preservation.
- Land held in trust includes tracts held by the Forest Society until they can be transferred to a recipient (typically a town conservation commission or the State of New Hampshire) specified by the donor.
- Land purchased or acquired by donation, that is intended to be sold on the open market, typically with use restrictions in the new deed.
- Land held for resale includes land that has been purchased or accepted as a gift, at its fair value, with the intent that it be sold to some other party or agency which will use the land in accordance with specific Forest Society's restrictions written into the deed at the time of transfer or it will be sold with the proceeds to benefit the Forest Society as specified by the donor.

Deed restrictions attached to most land sold severely restrict the use and development of the land in perpetuity. This practice can substantially reduce the fair value of the land. However, in most cases, there is no impairment of the land's value since deed restrictions are generally attached at the time the land is sold.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Land consists of the following:

April 30,	2024		2023	
Permanent land holdings	\$	70,454,812	\$	66,410,508
Land held for resale		854,536		854,536
<i>Total</i>	\$	71,309,348	\$	67,265,044

Property and equipment: Property and equipment are recorded at cost or, in the case of donated assets, at fair value. Repairs and maintenance are expensed as incurred and purchases in excess of \$5,000 or information technology equipment with a life of at least three years are capitalized as additions to property. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Building and land improvements	10-40
Equipment and software.....	3-10
Furniture and fixtures	7-20
Vehicles.....	5-10

Building and equipment are reviewed for impairment when a significant change in the asset’s use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements for the years ended April 30, 2024 and 2023.

Functional allocation of expenses: The statements of functional expenses present expenses by function and natural classification. Most expenses are assigned to functional area as they are incurred by coding every expense to a cost center. Salaries are assigned to cost centers on staff time sheets that are filled out contemporaneously for each pay period. Benefit costs are assigned proportionally to cost centers each pay period based on salary costs.

All other expenses with the exception of buildings and grounds are assigned to cost centers as each expense is incurred.

Building and grounds expenses are assigned to cost centers as they are incurred, with much of that cost assigned to land and easement stewardship where the cost centers for the Conservation Center in Concord and the buildings at the Rocks are assigned. After the close of the fiscal year building and grounds maintenance costs for the Conservation Center and the buildings at the Rocks are spread between the cost centers that use those buildings.

For the Rocks building and grounds costs are spread to programs based on salary costs. The spread is based on salaries because significant amounts of work are done by seasonal staff, so salary cost is a reasonable stand in for effort devoted to a cost center. For the Conservation Center building and grounds costs are spread to programs based on staff full time equivalents (FTEs) devoted to each cost center. The spread is based on regular staff FTEs because most work in Concord is done by regular staff, so FTEs are a reasonable stand in for effort devoted to each cost center.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

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Fundraising and advertising: Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Forest Society generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair value option: GAAP provides a fair value option election that allows organizations to irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and liabilities. GAAP permits the fair value option election on an instrument-by-instrument basis at specified election dates, primarily at the initial recognition of an asset or liability or upon an event that gives rise to a new basis of accounting for that instrument. The Forest Society has elected the fair value option for contributions receivable and annuities payable.

Income taxes: The Forest Society is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) whereby only unrelated business income, as described by Section 512(a)(1) of the Code, is subject to federal income tax. The Forest Society pays a nominal amount of tax relating to unrelated business activities, primarily from gift shop and Christmas tree sales, and New Hampshire Business Enterprise Tax imposed by the state on interest, dividends and payroll expense incurred.

The Forest Society has adopted the provisions of FASB ASC 740, Accounting for Uncertainty in Income Taxes. Accordingly, management has evaluated the Forest Society's tax positions and concluded the Forest Society had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment or disclosure in the financial statements. With few exceptions, the Forest Society is no longer subject to income tax examinations by the U.S. Federal or State tax authorities for tax years before 2021.

Revenue and revenue recognition: Membership dues, which are nonrefundable, are comprised of an exchange element based on the value benefits provided, and a contribution element for the difference between the total dues paid and the exchange element. The Forest Society recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately.

The Forest Society recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right to return – are not recognized until the conditions on which they depend have been met.

Recent accounting pronouncements: In June 2016, the Financial Accounting Standards Board (the "FASB") issued authoritative guidance which changes the methodology used to measure credit losses for certain financial instruments. Under prior guidance, credit loss reserves were estimated based on historical information. The new guidance requires credit loss reserves to reflect the estimated credit losses expected to be incurred over the life of the financial asset.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

The Forest Society adopted the standard effective May 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

Note 3. Concentration of Credit Risk

The Forest Society maintains its cash balances with local banks. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At April 30, 2024, the Forest Society’s uninsured cash balances totaled approximately \$2,032,000. Cash needed in the short term in excess of the FDIC insured limit is protected with a repurchase agreement between the Forest Society and its bank. Funds in excess of the insured limit are swept daily and held in purchased securities in the Forest Society’s name. The Forest Society’s balance in the repurchase sweep agreement amounted to approximately \$1,995,000 at April 30, 2024.

In addition, at April 30, 2024, the Forest Society had a cash balance amounting to approximately \$75,000 held through an Insured Cash Sweep Service (ICS) agreement between the Forest Society and its bank. The ICS places Forest Society funds at other FDIC insured banks in amounts that do not exceed the FDIC insured maximum. Through the ICS program, the Forest Society can exclude specific banks to ensure the FDIC insured limit is never exceeded at the destination banks.

Note 4. Contributions Receivable

Contributions receivable consist of the following:
 April 30,

	2024	2023
Promise to give expected to be collected in:		
Less than one year	\$ 434,000	\$ 2,587,142
One to five years	-	162,620
Beyond five years	15,000	15,000
	449,000	2,764,762
Less discount to net present value	3,247	16,513
<i>Net contributions receivable</i>	\$ 445,753	\$ 2,748,249

Contributions receivable are reported at fair value, which is estimated as the net present value of expected future cash inflow. A discount rate of 5% was applied to determine present value for the years ended April 30, 2024 and 2023. Contributions receivable are considered to be fully collectible and, accordingly, no allowance for credit losses was considered necessary at April 30, 2024 and 2023.

During the year ended April 30, 2023 the Forest Society was awarded up to \$300,000 in Community Development Investment Program Funds by the Community Development Finance Authority (“CDFA”) for construction at the Rocks location. During the year ended April 30, 2023, the CDFa accepted \$300,000 in donations from the area businesses, resulting in net tax credit proceeds to the Forest Society of \$240,000 to benefit the project. During the year ended April 30, 2023, \$112,000 of the total \$240,000 was received, with \$128,000 included in contributions receivable. The remaining balance was collected during the year ended April 30, 2024.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Note 5. Investments

The following is a summary of investments at cost and related market value as of April 30:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Domestic equities	\$ 4,720,172	\$ 6,802,267	\$ 5,076,894	\$ 6,109,693
International equities	4,059,788	4,063,528	3,634,459	3,650,439
Fixed income securities	5,239,952	5,175,949	4,338,375	3,829,477
Specialty equity funds	1,598,006	1,733,448	1,548,085	1,570,781
Short term investments	21,163	21,163	436,290	436,290
<i>Total investments</i>	\$ 15,639,081	\$ 17,796,355	\$ 15,034,103	\$ 15,596,680

Investment return is summarized as follows:

April 30,	2024	2023
Interest on temporary cash balances	\$ 394,076	\$ 118,982
Interest and dividend income	438,592	415,346
Realized and unrealized gains (losses)	1,316,183	(346,142)
<i>Investment return</i>	\$ 2,148,851	\$ 188,186

Investment management fees amounted to \$25,000 for both years ended April 30, 2024 and 2023 and have been netted against interest and dividend income in the accompanying statements of activities and changes in net assets.

Note 6. Property and Equipment

Property and equipment, at cost, April 30,	2024	2023
Building and land improvements	\$ 12,851,958	\$ 10,660,346
Equipment and software	921,303	749,217
Furniture and fixtures	354,306	110,055
Vehicles	201,298	142,298
<i>Total property and equipment</i>	14,328,865	11,661,916
Less accumulated depreciation	5,233,353	4,961,607
<i>Total property and equipment, net</i>	\$ 9,095,512	\$ 6,700,309

Depreciation expense for the years ended April 30, 2024 and 2023 amounted to \$271,857 and \$213,033, respectively.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Note 7. Fair Value Measurements

The Fair Value Measurements Topic of the FASB Accounting Standards Codification (FASB ASC 820-10) establishes 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 - inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at level 1 fair value generally are securities listed in active markets. The Forest Society has valued their investments, listed on national exchanges at the last sales price as of the day of valuation.
- Level 2 - inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option-pricing models, discounted cash flow models, and similar techniques.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Financial assets and liabilities carried at fair value on a recurring basis consisted of the following at April 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:			
Domestic equity funds	\$ 6,802,267	\$ -	-
Fixed income equity funds	5,175,949	-	-
International equity funds	4,063,528	-	-
Specialty equity funds	1,733,448	-	-
Cash and short term investments	21,163	-	-
Contributions receivable, net	-	-	445,753
<i>Total</i>	<u>\$ 17,796,355</u>	<u>\$ -</u>	<u>\$ 445,753</u>
Liabilities:			
Annuities payable	\$ -	\$ -	80,810

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Financial assets and liabilities carried at fair value on a recurring basis consisted of the following at April 30, 2023:

	Level 1	Level 2	Level 3
Assets:			
Domestic equity funds	\$ 6,109,693	\$ -	-
Fixed income equity funds	3,829,477	-	-
International equity funds	3,650,439	-	-
Specialty equity funds	1,570,781	-	-
Cash and short term investments	436,290	-	-
Contributions receivable, net	-	-	2,748,249
<i>Total</i>	<u>\$ 15,596,680</u>	<u>\$ -</u>	<u>\$ 2,748,249</u>
Liabilities:			
Annuities payable	\$ -	\$ -	\$ 110,242

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended April 30, 2024 and 2023:

	Annuities Payable, net	Contributions Receivable, net
Balance, April 30, 2023	\$ 110,242	\$ 2,748,249
Payments received	-	(3,739,807)
New contributions	-	1,504,828
Contribution receivable write-offs	-	(80,783)
Change to present value	10,549	13,266
Annuity balance gifted upon annuitant's death	(19,000)	-
Payments to beneficiaries	(20,981)	-
Balance, April 30, 2024	<u>\$ 80,810</u>	<u>\$ 445,753</u>
	Annuities Payable, net	Contributions Receivable, net
Balance, April 30, 2022	\$ 106,390	\$ 985,658
Payments received	-	(694,211)
New contributions	11,156	2,485,373
Contribution receivable write-offs	-	(24,503)
Change to present value	12,406	(4,068)
Payments to beneficiaries	(19,710)	-
Balance, April 30, 2023	<u>\$ 110,242</u>	<u>\$ 2,748,249</u>

GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Forest Society's significant financial instruments are cash, notes payable and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

All assets and liabilities have been valued using a market or income approach and have been consistently applied. The 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 sources.

The 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.

Note 8. Line of Credit

The Forest Society has \$1,500,000 available as a revolving line of credit agreement, payable on demand, with a bank. The line of credit has a review date of September 30, 2024. Bank advances on this line of credit bear interest equal to the Wall Street Journal Prime rate which was 8.5% at April 30, 2024. The line of credit is unsecured. There was no outstanding balance on the line of credit at April 30, 2024 and 2023.

Note 9. Notes Payable

April 30,	2024	2023
Note payable to a voluntary corporation, dated September 2010, in the original amount of \$213,750 payable in annual installments of \$11,250, no interest, due September 2030. The note is unsecured.	\$ 67,500	\$ 78,750
Note payable to bank, payable in monthly interest and principal payments of \$10,424, with interest at 4.35%, due January 2044. The note is unsecured.	1,653,950	-
	<u>1,721,450</u>	<u>78,750</u>
Portion payable within one year	65,491	11,250
<i>Long-term debt, less current maturities</i>	<u>\$ 1,655,959</u>	<u>\$ 67,500</u>

Principal payments on long-term obligations are as follows:

<u>Year Ending April 30,</u>		
2025	\$	65,491
2026		67,898
2027		70,412
2028		73,038
2029		75,780
Thereafter		1,368,831
<i>Total</i>	<u>\$</u>	<u>1,721,450</u>

The note payable to the bank requires the Forest Society to meet certain financial covenants, the most restrictive requiring a debt service coverage ratio of at least 1.5 to 1.

Note 10. Charitable Gift Annuities

Amounts due under annuities payable represent gifts received under agreements which guarantee to pay a fixed amount for a specified period of time. Such gifts are recorded as revenue when received and the present value of the future amount payable is credited to a liability account. Annuities are reported at their fair value, which is determined based on the ages of life expectancies of the designated beneficiaries using the IRS life expectancy tables and a discount rate of 6% for the years ended April 30, 2024 and 2023.

Note 11. Endowment Fund Assets

The Forest Society's endowment consists of 42 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including those funds designated by the Board of Trustees, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law: The Forest Society is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Board of Trustees appropriates such amounts for expenditures. Most of those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Trustees of the Forest Society has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary.

As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Forest Society considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Forest Society has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, in accordance with UPMIFA, the Forest Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the organization and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the investment policies of the Forest Society.

Underwater Endowment Funds: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Forest Society to retain as a fund of perpetual duration. There were no deficiencies of this nature as of April 30, 2024 and 2023.

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Investment Return Objectives, Risk Parameters and Strategies: The Trustees of the Forest Society have established the following objectives for its invested funds: (a) maintain the purchasing power of the principal on a long term-basis, (b) provide a reasonable stream of income on a total-return basis that will substantially contribute to the funding of the Forest Society's operations and support a prudent spending policy adopted by the Trustees from time to time, and (c) maintain availability of sufficient cash to fund ongoing operating expenses.

The Forest Society's overall investment objective is to achieve growth in the value of the assets that is sufficient to preserve the inflation-adjusted purchasing power of the portfolio over a long-term time horizon.

Spending Policy: The spending policy calculation for the year ended April 30, 2024 was based on 5.0% of the twenty quarters moving average of the true (permanently restricted) endowment and unrestricted endowment portfolio's market value adjusted for capital additions and withdrawals which is an effective 5.9% draw on the true (permanently restricted) endowment.

Endowment net asset composition by type of fund as of April 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 12,625,202	\$ 12,625,202
Board designated endowment funds	556,634	-	556,634
Unrestricted invested funds	2,032,487	-	2,032,487
<i>Total</i>	<u>\$ 2,589,121</u>	<u>\$ 12,625,202</u>	<u>\$ 15,214,323</u>

Changes in endowment net assets as of April 30, 2024 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,132,432	\$ 10,920,162	\$ 13,052,594
Contributions	-	1,151,174	1,151,174
Investment return, net	457,824	1,225,655	1,683,479
Appropriation of endowment assets for expenditure	(1,135)	(671,789)	(672,924)
Endowment net assets, end of year	<u>2,589,121</u>	<u>12,625,202</u>	<u>15,214,323</u>
Other investments:			
Invested restricted funds	-	2,140,258	2,140,258
Charitable gift annuities	441,774	-	441,774
<i>Total investments</i>	<u>\$ 3,030,895</u>	<u>\$ 14,765,460</u>	<u>\$ 17,796,355</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Endowment net asset composition by type of fund as of April 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 10,920,162	\$ 10,920,162
Board designated endowment funds	489,332	-	489,332
Unrestricted invested funds	1,643,100	-	1,643,100
	<hr/>		
<i>Total</i>	\$ 2,132,432	\$ 10,920,162	\$ 13,052,594

Changes in endowment net assets as of April 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,137,148	\$ 11,139,553	\$ 13,276,701
Contributions	-	436,912	436,912
Investment return, net	11,922	31,098	43,020
Appropriation of endowment assets for expenditure	(16,638)	(687,401)	(704,039)
	<hr/>		
Endowment net assets, end of year	2,132,432	10,920,162	13,052,594
Other investments:			
Invested restricted funds	-	2,138,783	2,138,783
Charitable gift annuities	405,303	-	405,303
	<hr/>		
<i>Total investments</i>	\$ 2,537,735	\$ 13,058,945	\$ 15,596,680

Note 12. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods:

April 30,	2024	2023
<hr/>		
Subject to expenditure for specified purpose or period:		
Land protection	\$ 3,594,461	\$ 6,001,093
Reservation stewardship	2,109,203	2,447,965
Education	92,712	108,380
Policy	37,309	37,309
Communications outreach	26,176	25,434
Easement stewardship	76,155	6,272
Administration	1,600	1,600
	<hr/>	
<i>Total subject to expenditure for specified purpose or period</i>	5,937,616	8,628,053

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

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Endowments subject to the Forest Society's spending policy and appropriation:

Investments in perpetuity (original amounts of \$11,266,012 in 2024 and \$10,114,838 in 2023), which one appropriated, is expendable to support activities of the Forest Society

12,625,202	10,920,162
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Not subject to appropriation or expenditure:

Permanent land holdings

70,454,812	66,410,508
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Total net assets with donor restrictions

\$ 89,017,630	\$ 85,958,723
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Note 13. Net Assets without Donor Restrictions

The Forest Society's net assets without donor restrictions is comprised of the following:

April 30,	2024	2023
Undesignated	\$ 3,576,701	\$ 4,222,510
Undesignated - invested in land, property and equipment	9,950,048	7,554,845
Board designated for endowment	556,634	489,332
Unrestricted invested funds	2,032,487	1,643,100
<i>Total net assets without donor restrictions</i>	\$ 16,115,870	\$ 13,909,787

Note 14. Liquidity and Availability of Resources

The following reflects the Forest Society's financial assets as of the statements of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statements of financial position date. Amounts not available include amounts set aside for long-term investing in the board designated funds and unrestricted invested funds that could be drawn upon if the governing board approves that action. However, amounts already appropriated from the donor-restricted endowment, board designated funds and unrestricted invested funds for general expenditure within one year of the statements of financial position date have not been subtracted as unavailable.

April 30,	2024	2023
Cash	\$ 2,548,050	\$ 2,028,973
US Treasury bills	5,845,269	6,850,101
Investments	17,796,355	15,596,680
Contributions receivable	445,753	2,748,249
Accounts receivable	20,950	6,224
Accrued interest on US Treasury bills	75,424	-
<i>Financial assets, at year-end</i>	26,731,801	27,230,227

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

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Less those unavailable for general expenditures within one year, due to:

Contractual or donor-imposed restrictions:		
Restricted by donors with purpose restrictions	(4,113,237)	(7,665,076)
Restricted by donors in perpetuity	(12,049,545)	(10,345,105)
Investments held in annuity trust	(441,774)	(405,303)
Board designations	(516,257)	(508,819)
Unrestricted invested funds	(1,923,782)	(1,558,053)

<i>Financial assets available to meet cash needs for general expenditures within one year</i>	\$ 7,687,206	\$ 6,747,871
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The Forest Society is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Forest Society must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

As part of the Forest Society’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition, the Forest Society has board designated funds of \$556,634 and unrestricted investments of \$2,032,487. Although the Forest Society does not intend to spend from these funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriate process, amounts from these funds could be made available if necessary.

As more fully described in Note 8, the Forest Society also has a committed line of credit in the amount of \$1,500,000, which it could draw upon in the event of an unanticipated liquidity need.

Note 15. Retirement Plans

Effective January 1, 1988, the Forest Society established a 403(b) tax sheltered annuity plan covering all qualified employees. Presently, the Forest Society matches the first 4% of a participating employee’s base salary. Additional voluntary contributions may be made by the employees.

The percentage of the Forest Society’s match is determined by the Board of Trustees and has remained unchanged since 1997. For the years ended April 30, 2024 and 2023, the Forest Society’s contribution to the plan totaled \$81,475 and \$76,240, respectively.

Note 16. Unusual/Infrequent Item - Fire at the Rocks

For the year ended April 30, 2019, the Forest Society sustained a fire at the Rocks that resulted in substantial damage. The Forest Society lost program buildings, contents in the buildings, and much of the equipment for the Christmas tree farm.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

These assets were originally recorded at the value of the property and equipment acquired approximately 40 years ago, and accordingly, have been depreciated over their economic life resulting in an adjusted cost basis of approximately \$142,700 at the time of the fire.

During the year ended April 30, 2020, the Forest Society received insurance proceeds which totaled \$1,855,818. There was additional insurance proceeds totaling \$593,288 representing depreciation holdback for both the building and building contents which were to be paid when construction is complete. For the year ended April 30, 2024, construction was completed and the remaining \$593,288 was collected in full.

Note 17. Employee Retention Credit

The CARES Act provides an Employee Retention Tax Credit (ERTC), which is a refundable tax credit against certain employment taxes for eligible wages paid between March 2020 through September 30, 2021. The Forest Society qualified for the tax credit under the CARES Act and submitted the necessary filings to receive a total of \$394,508. Management has elected FASB ASC 450-30 gain contingency model for reporting the impact of the ERTC, which under this method, the ERTC is realizable when the IRS affirms the entity's eligibility to receive the credit. As of April 30, 2024, no amount has been recorded.

Note 18. Subsequent Events

The Forest Society has evaluated subsequent events through August 7, 2024, the date which the financial statements were available to be issued and have not evaluated subsequent events after that date. There were no subsequent events identified that would require disclosure in the financial statements for the year ended April 30, 2024.