

SOCIETY FOR THE PROTECTION OF
NEW HAMPSHIRE FORESTS

FINANCIAL REPORT

APRIL 30, 2025

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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, 2025 and 2024, 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, 2025 and 2024, 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.

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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 Wechsler & Company

Concord, New Hampshire
August 6, 2025

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF FINANCIAL POSITION

April 30, 2025 and 2024

<i>ASSETS</i>			
	2025		2024
CURRENT ASSETS			
Cash and cash equivalents	\$ 2,948,871	\$	2,548,050
US Treasury bills	7,838,451		5,845,269
Accrued interest on US Treasury bills	81,089		75,424
Current portion of contributions receivable	1,448,065		434,000
Other receivables	72,619		47,782
Inventories	30,356		15,800
Prepaid expenses	132,257		112,854
<i>Total current assets</i>	12,551,708		9,079,179
PROPERTY AND EQUIPMENT, NET	9,410,075		9,095,512
INVESTMENTS AND OTHER ASSETS			
Investments	18,699,383		17,796,355
Contributions receivable, long-term, net	978,848		11,753
Inventories, long-term	43,266		48,218
	19,721,497		17,856,326
LAND	73,729,752		71,309,348
<i>Total assets</i>	\$ 115,413,032	\$	107,340,365
<i>LIABILITIES AND NET ASSETS</i>			
CURRENT LIABILITIES			
Current portion of notes payable	\$ 67,898	\$	65,491
Current portion of annuities payable	11,481		11,481
Accounts payable	153,514		105,445
Accrued liabilities	358,413		299,160
<i>Total current liabilities</i>	591,306		481,577
LONG-TERM LIABILITIES			
Notes payable, less current portion	1,588,091		1,655,959
Annuities payable, less current portion, net	66,977		69,329
	1,655,068		1,725,288
<i>Total liabilities</i>	2,246,374		2,206,865
COMMITMENTS (See Notes)			
NET ASSETS			
Without donor restrictions	7,353,325		6,165,822
Without donor restriction - invested in land, property and equipment	10,264,611		9,950,048
<i>Total net assets without donor restrictions (Note 13)</i>	17,617,936		16,115,870
With donor restrictions	22,673,506		18,562,818
With donor restriction - invested in land	72,875,216		70,454,812
<i>Total net assets with donor restrictions (Note 12)</i>	95,548,722		89,017,630
<i>Total net assets</i>	113,166,658		105,133,500
<i>Total liabilities and net assets</i>	\$ 115,413,032	\$	107,340,365

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended April 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and support						
Annual fund	\$ 982,022	\$ -	\$ 982,022	\$ 775,170	\$ -	\$ 775,170
Contributions	213,167	3,621,841	3,835,008	174,001	1,681,927	1,855,928
Bequests	462,880	504,653	967,533	402,914	-	402,914
Endowment gifts	-	96,406	96,406	-	1,120,877	1,120,877
Grants	214,352	1,588,619	1,802,971	62,050	1,467,885	1,529,935
Contributions of land	-	2,251,100	2,251,100	-	1,302,350	1,302,350
Dues	465,693	-	465,693	505,255	-	505,255
Rental	477,284	-	477,284	381,841	-	381,841
Forest operations	715,939	-	715,939	577,202	-	577,202
Reimbursement for services	111,739	-	111,739	59,739	-	59,739
Sale of materials	347,142	-	347,142	268,724	-	268,724
Donated conservation easements, goods and services	400,000	-	400,000	2,212,000	-	2,212,000
Miscellaneous income	671	-	671	3,280	-	3,280
<i>Total revenue and support</i>	4,390,889	8,062,619	12,453,508	5,422,176	5,573,039	10,995,215
Net assets released from restrictions for satisfaction of purpose restrictions	2,733,379	(2,733,379)	-	3,739,786	(3,739,786)	-
<i>Total revenue, support and net assets released from restriction</i>	7,124,268	5,329,240	12,453,508	9,161,962	1,833,253	10,995,215
Program expenses						
Land and easement stewardship	2,940,461	-	2,940,461	2,524,486	-	2,524,486
Land protection	1,163,840	-	1,163,840	3,591,770	-	3,591,770
Education and outreach	490,598	-	490,598	450,086	-	450,086
Membership	308,667	-	308,667	347,292	-	347,292
Policy	133,390	-	133,390	94,061	-	94,061
	5,036,956	-	5,036,956	7,007,695	-	7,007,695
Supporting services and general expenses						
Fundraising	554,953	-	554,953	513,940	-	513,940
Finance and administration	921,315	-	921,315	925,729	-	925,729
	1,476,268	-	1,476,268	1,439,669	-	1,439,669
<i>Total functional expenses</i>	6,513,224	-	6,513,224	8,447,364	-	8,447,364
<i>Increase in net assets from operations</i>	611,044	5,329,240	5,940,284	714,598	1,833,253	2,547,851
Nonoperating gains and other changes						
Investment income, net of fees	540,289	354,054	894,343	521,847	285,821	807,668
Realized and unrealized gains on investments	300,733	847,798	1,148,531	376,350	939,833	1,316,183
Gain on sale of land	50,000	-	50,000	-	-	-
Gain on insurance proceeds for property damage (Note 16)	-	-	-	593,288	-	593,288
<i>Total nonoperating gains and other changes</i>	891,022	1,201,852	2,092,874	1,491,485	1,225,654	2,717,139
<i>Increase in net assets</i>	1,502,066	6,531,092	8,033,158	2,206,083	3,058,907	5,264,990
Net assets, beginning of year	16,115,870	89,017,630	105,133,500	13,909,787	85,958,723	99,868,510
Net assets, end of year	\$ 17,617,936	\$ 95,548,722	\$ 113,166,658	\$ 16,115,870	\$ 89,017,630	\$ 105,133,500

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF CASH FLOWS

Years Ended April 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 8,033,158	\$ 5,264,990
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	480,136	271,857
Realized and unrealized gains on investments	(1,148,531)	(1,316,183)
Reinvested income	(536,698)	(413,592)
Contributions of land received	(2,251,100)	(1,302,350)
Gain on sale of land	(50,000)	-
Gain on insurance proceeds for property damage	-	(593,288)
Gifts restricted for endowment and capital cost of land acquisitions	(96,406)	(1,120,877)
Increase in accrued interest on US Treasury bills	(5,665)	(75,424)
(Increase) decrease in contributions receivable	(1,981,160)	2,302,496
(Increase) decrease in other receivables	(24,837)	19,284
Increase in inventories	(9,604)	(8,156)
Increase in prepaid expenses	(19,403)	(10,867)
Decrease in value of charitable gift annuities	(2,352)	(29,432)
Increase (decrease) in accounts payable	48,069	(266,590)
Increase in accrued liabilities	59,253	24,980
<i>Net cash provided by operating activities</i>	2,494,860	2,746,848
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,071,804	813,478
Purchases of investments	(289,603)	(1,283,378)
Proceeds from sale of US Treasury bills	13,925,319	14,197,090
Purchases of US Treasury bills	(15,918,501)	(13,192,258)
Insurance proceeds from fire related to property loss	-	593,288
Proceeds from sale of land	600,000	-
Cash paid for land	(719,304)	(2,741,954)
Cash paid for property and equipment	(794,699)	(2,667,060)
<i>Net cash used in investing activities</i>	(2,124,984)	(4,280,794)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from notes payable	-	958,001
Repayments on notes payable	(65,461)	(25,855)
Gifts restricted for endowment and capital cost of land acquisitions	96,406	1,120,877
<i>Net cash provided by financing activities</i>	30,945	2,053,023
<i>Net increase in cash and cash equivalents</i>	400,821	519,077
Cash and cash equivalents, beginning of year	2,548,050	2,028,973
<i>Cash and cash equivalents, end of year</i>	\$ 2,948,871	\$ 2,548,050

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended April 30, 2025 and 2024

	2025	2024
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	\$ 70,896	\$ 61,379
Cash payments for taxes	\$ 260	\$ 1,747
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)
<i>Net proceeds from notes payable</i>	<u>\$ -</u>	<u>\$ 958,001</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended April 30, 2025

	Land and Easement Stewardship	Land Protection	Education and Outreach	Membership	Policy	Fundraising	Finance and Administration	Total
Salaries and wages	\$ 1,077,963	\$ 250,687	\$ 267,527	\$ 172,990	\$ 74,952	\$ 357,330	\$ 533,444	\$ 2,734,893
Employee benefits	261,984	65,571	70,616	45,452	19,662	103,541	135,528	702,354
<i>Total salaries and related expenses</i>	1,339,947	316,258	338,143	218,442	94,614	460,871	668,972	3,437,247
Professional services	343,074	310,559	42,431	22,745	34,291	18,206	133,263	904,569
Building and grounds	490,799	5,418	4,285	2,366	736	1,342	17,277	522,223
Donated conservation easements	-	400,000	-	-	-	-	-	400,000
Supplies and postage	44,863	999	29,364	18,636	1,238	52,950	34,709	182,759
Land transaction assistance and grants	-	108,977	-	-	-	-	-	108,977
Advertising and printing	16,242	765	38,001	37,692	-	8,927	45	101,672
Cost of sales	92,645	35	-	2,267	-	-	447	95,394
Travel expenses, conferences and dues	57,507	4,563	7,945	118	2,085	2,453	13,908	88,579
Program and event expenses	14,796	5,029	5,759	5,578	426	1,061	19,182	51,831
Subscriptions and documents	8,116	10,938	13,470	632	-	325	2,930	36,411
Bank and credit card fees	7,189	105	-	-	-	8,818	3,154	19,266
Change in present value of annuities	-	-	-	-	-	-	9,130	9,130
Miscellaneous expense	2,260	194	-	-	-	-	1,489	3,943
Credit loss expense/pledge write off	-	-	-	191	-	-	-	191
<i>Total expenses before interest & depreciation</i>	2,417,438	1,163,840	479,398	308,667	133,390	554,953	904,506	5,962,192
Depreciation	452,127	-	11,200	-	-	-	16,809	480,136
Interest	70,896	-	-	-	-	-	-	70,896
	523,023	-	11,200	-	-	-	16,809	551,032
<i>Total expenses</i>	\$ 2,940,461	\$ 1,163,840	\$ 490,598	\$ 308,667	\$ 133,390	\$ 554,953	\$ 921,315	\$ 6,513,224

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.

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. Total credit loss expense for the years ended April 30, 2025 and 2024, was \$191 and \$82,786, respectively.

Allowance for credit losses: The Forest Society establishes an allowance for credit loss on financial assets measured at amortized cost, such as US Treasury bills and 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. These assets are considered to be fully collectible and, accordingly, no allowance for credit loss was considered necessary at April 30, 2025 and 2024.

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,	2025	2024
Current:		
Gift shop	\$ 30,097	\$ 14,481
Christmas trees expected to be sold within one year	259	1,319
<i>Total current</i>	<u>30,356</u>	<u>15,800</u>
Long-term:		
Christmas trees not expected to be sold within one year	43,266	48,218
<i>Total inventory</i>	<u>\$ 73,622</u>	<u>\$ 64,018</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: The Forest Society follows FASB ASC 842, Leases. The Forest Society recognizes right-of-use (ROU) assets and lease liabilities on the statements of financial position for all material operating and financing leases greater than one year. Factors contributing to the amount of asset and liability recorded are the determination of the lease term, discount rate used and the inclusion or exclusion of certain lease and non-lease components. The Forest Society elected the short-term lease exemption for all leases that qualify and does not recognize an ROU assets or liabilities on the balance sheet.

The Forest Society leases a postage meter from an unrelated party on a short-term basis. At April 30, 2025 and 2024, the total lease payments including supplies and postage amounted to \$2,482 and \$3,099, respectively.

The Forest Society leases office space to unrelated parties on a day-to-day basis. Rental income for the years ended April 30, 2025 and 2024 from these leases amounted to \$63,070 and \$66,832, respectively.

As these leases are 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 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, 2025 and 2024, amounted to \$325,593 and \$290,953, 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,	2025	2024
Permanent land holdings	\$ 72,875,216	\$ 70,454,812
Land held for resale	854,536	854,536
Total	<u>\$ 73,729,752</u>	<u>\$ 71,309,348</u>

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, 2025 and 2024.

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.

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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 2022.

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.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

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, 2025, the Forest Society's uninsured cash balances totaled approximately \$2,361,000. 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 \$2,309,000 at April 30, 2025.

In addition, at April 30, 2025, the Forest Society had a cash balance amounting to approximately \$78,000 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,	2025	2024
Promise to give expected to be collected in:		
Less than one year	\$ 1,448,065	\$ 434,000
One to five years	994,188	-
Beyond five years	-	15,000
	2,442,253	449,000
Less discount to net present value	15,340	3,247
<i>Net contributions receivable</i>	<u>\$ 2,426,913</u>	<u>\$ 445,753</u>

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, 2025 and 2024. Contributions receivable are considered to be fully collectible and, accordingly, no allowance for credit losses was considered necessary at April 30, 2025 and 2024.

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:

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Domestic equities	\$ 5,071,181	\$ 7,388,800	\$ 4,720,172	\$ 6,802,267
International equities	4,236,327	4,455,539	4,059,788	4,063,528
Fixed income securities	4,696,126	4,738,450	5,239,952	5,175,949
Specialty equity funds	1,648,682	2,083,174	1,598,006	1,733,448
Short term investments	33,420	33,420	21,163	21,163
<i>Total investments</i>	<i>\$ 15,685,736</i>	<i>\$ 18,699,383</i>	<i>\$ 15,639,081</i>	<i>\$ 17,796,355</i>

Investment return is summarized as follows:

April 30,	2025	2024
Interest on temporary cash balances	\$ 357,645	\$ 394,076
Interest and dividend income	561,698	438,592
Realized and unrealized gains	1,148,531	1,316,183
<i>Investment return</i>	<i>\$ 2,067,874</i>	<i>\$ 2,148,851</i>

Investment management fees amounted to \$25,000 for both years ended April 30, 2025 and 2024 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,	2025	2024
Building and land improvements	\$ 13,563,967	\$ 12,851,958
Equipment and software	942,898	921,303
Furniture and fixtures	415,402	354,306
Vehicles	201,297	201,298
<i>Total property and equipment</i>	<i>15,123,564</i>	<i>14,328,865</i>
Less accumulated depreciation	5,713,489	5,233,353
<i>Total property and equipment, net</i>	<i>\$ 9,410,075</i>	<i>\$ 9,095,512</i>

Depreciation expense for the years ended April 30, 2025 and 2024 amounted to \$480,136 and \$271,857, 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, 2025:

	Level 1	Level 2	Level 3
Assets:			
Domestic equity funds	\$ 7,388,800	\$ -	\$ -
Fixed income equity funds	4,738,450	-	-
International equity funds	4,455,539	-	-
Specialty equity funds	2,083,174	-	-
Cash and short term investments	33,420	-	-
Contributions receivable, net	-	-	2,426,913
<i>Total</i>	<u>\$ 18,699,383</u>	<u>\$ -</u>	<u>\$ 2,426,913</u>
Liabilities:			
Annuities payable	\$ -	\$ -	\$ 78,458

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, 2024:

	Level 1	Level 2	Level 3
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

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended April 30, 2025 and 2024:

	Annuities Payable, net	Contributions Receivable, net
Balance, April 30, 2024	\$ 80,810	\$ 445,753
Payments received	-	(161,814)
New contributions	-	2,166,144
Change to present value	9,130	(23,170)
Payments to beneficiaries	(11,482)	-
Balance, April 30, 2025	<u>\$ 78,458</u>	<u>\$ 2,426,913</u>

	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>

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, 2025. Bank advances on this line of credit bear interest equal to the Wall Street Journal Prime rate which was 7.5% at April 30, 2025. The line of credit is unsecured. There was no outstanding balance on the line of credit at April 30, 2025 and 2024.

Note 9. Notes Payable

April 30,	2025	2024
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.	\$ 56,250	\$ 67,500
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.	1,599,739	1,653,950
	1,655,989	1,721,450
Portion payable within one year	67,898	65,491
<i>Long-term debt, less current maturities</i>	<u>\$ 1,588,091</u>	<u>\$ 1,655,959</u>

Principal payments on long-term obligations are as follows:

<u>Year Ending April 30,</u>	
2026	\$ 67,898
2027	70,412
2028	73,038
2029	75,780
2030	78,643
Thereafter	1,290,218
<i>Total</i>	<u>\$ 1,655,989</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 recorded as a liability. 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, 2025 and 2024.

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, 2025 and 2024.

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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, 2025 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, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 13,444,733	\$ 13,444,733
Board designated endowment funds	528,252	-	528,252
Unrestricted invested funds	2,400,642	-	2,400,642
<i>Total</i>	<u>\$ 2,928,894</u>	<u>\$ 13,444,733</u>	<u>\$ 16,373,627</u>

Changes in endowment net assets as of April 30, 2025 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,589,121	\$ 12,625,202	\$ 15,214,323
Contributions	11,000	289,603	300,603
Investment return, net	441,544	1,201,851	1,643,395
Appropriation of endowment assets for expenditure	(112,771)	(671,923)	(784,694)
Endowment net assets, end of year	<u>2,928,894</u>	<u>13,444,733</u>	<u>16,373,627</u>
Other investments:			
Invested restricted funds	-	1,853,627	1,853,627
Charitable gift annuities	472,129	-	472,129
<i>Total investments</i>	<u>\$ 3,401,023</u>	<u>\$ 15,298,360</u>	<u>\$ 18,699,383</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, 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>	<i>\$ 2,589,121</i>	<i>\$ 12,625,202</i>	<i>\$ 15,214,323</i>

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	2,589,121	12,625,202	15,214,323
Other investments:			
Invested restricted funds	-	2,140,258	2,140,258
Charitable gift annuities	441,774	-	441,774
<i>Total investments</i>	<i>\$ 3,030,895</i>	<i>\$ 14,765,460</i>	<i>\$ 17,796,355</i>

Note 12. Net Assets with Donor Restrictions

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

April 30,	2025	2024
Subject to expenditure for specified purpose or period:		
Land protection	\$ 6,252,458	\$ 3,594,461
Reservation stewardship	2,765,888	2,109,203
Education	82,746	92,712
Policy	37,309	37,309
Communications outreach	10,097	26,176
Easement stewardship	78,675	76,155
Administration	1,600	1,600
<i>Total subject to expenditure for specified purpose or period</i>	<i>9,228,773</i>	<i>5,937,616</i>

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 \$11,555,615 in 2025 and \$11,266,012 in 2024), which once appropriated, is expendable to support activities of the Forest Society

13,444,733	12,625,202
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Not subject to appropriation or expenditure:

Permanent land holdings

72,875,216	70,454,812
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Total net assets with donor restrictions

\$ 95,548,722	\$ 89,017,630
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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,	2025	2024
Undesignated	\$ 4,424,431	\$ 3,576,701
Undesignated - invested in land, property and equipment	10,264,611	9,950,048
Board designated for endowment	528,252	556,634
Unrestricted invested funds	2,400,642	2,032,487
<i>Total net assets without donor restrictions</i>	\$ 17,617,936	\$ 16,115,870

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,	2025	2024
Cash	\$ 2,948,871	\$ 2,548,050
US Treasury bills	7,838,451	5,845,269
Accrued interest on US Treasury bills	81,089	75,424
Contributions receivable	2,426,913	445,753
Accounts receivable	23,630	20,950
Investments	18,699,383	17,796,355
<i>Financial assets, at year-end</i>	32,018,337	26,731,801

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	(7,936,477)	(4,113,237)
Restricted by donors in perpetuity	(12,838,115)	(12,049,545)
Investments held in annuity trust	(472,129)	(441,774)
Board designations	(593,559)	(516,257)
Unrestricted invested funds	(2,369,267)	(1,923,782)

*Financial assets available to meet cash needs for
general expenditures within one year*

\$ 7,808,790 \$ 7,687,206

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 \$528,252 and unrestricted investments of \$2,400,642. 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, 2025 and 2024, the Forest Society's contribution to the plan totaled \$82,083 and \$81,475, 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.

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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, 2025, no amount has been recorded.

Note 18. Subsequent Events

The Forest Society has evaluated subsequent events through August 6, 2025, 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, 2025.