

SOCIETY FOR THE PROTECTION OF
NEW HAMPSHIRE FORESTS

FINANCIAL REPORT

APRIL 30, 2022

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NATHAN WECHSLER & COMPANY
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS

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, 2022 and 2021, 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, 2022 and 2021, 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 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 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 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 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 3, 2022

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF FINANCIAL POSITION

April 30, 2022 and 2021

	ASSETS		2022	2021
CURRENT ASSETS				
Cash and cash equivalents	\$	9,744,283	\$	8,305,193
Current portion of contributions receivable		933,600		668,820
Other receivables		27,832		4,205
Inventories		7,147		31,689
Prepaid expenses		72,945		67,460
<i>Total current assets</i>		<u>10,785,807</u>		<u>9,077,367</u>
PROPERTY AND EQUIPMENT, NET		3,775,174		3,138,831
INVESTMENTS AND OTHER ASSETS				
Investments		15,833,898		17,326,678
Contributions receivable, long-term, net		52,058		288,744
Inventories, long-term		49,626		43,506
		<u>15,935,582</u>		<u>17,658,928</u>
LAND		65,972,490		65,415,936
<i>Total assets</i>	\$	<u>96,469,053</u>	\$	<u>95,291,062</u>
	LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES				
Current portion of notes payable	\$	11,250	\$	11,250
Current portion of Paycheck Protection Program loan		-		178,216
Current portion of annuities payable		20,154		41,047
Accounts payable		101,023		110,127
Accrued liabilities		210,122		187,334
<i>Total current liabilities</i>		<u>342,549</u>		<u>527,974</u>
LONG-TERM LIABILITIES				
Notes payable, less current portion		78,750		90,000
Paycheck Protection Program loan, less current portion		-		359,115
Annuities payable, less current portion, net		86,236		159,374
		<u>164,986</u>		<u>608,489</u>
<i>Total liabilities</i>		<u>507,535</u>		<u>1,136,463</u>
COMMITMENTS (See Notes)				
NET ASSETS				
Without donor restrictions		7,163,842		6,216,372
Without donor restriction - invested in land, property and equipment		4,629,710		3,993,367
<i>Total net assets without donor restrictions (Note 13)</i>		<u>11,793,552</u>		<u>10,209,739</u>
With donor restrictions		19,050,012		19,383,460
With donor restriction - invested in land		65,117,954		64,561,400
<i>Total net assets with donor restrictions (Note 12)</i>		<u>84,167,966</u>		<u>83,944,860</u>
<i>Total net assets</i>		<u>95,961,518</u>		<u>94,154,599</u>
<i>Total liabilities and net assets</i>	\$	<u>96,469,053</u>	\$	<u>95,291,062</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended April 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and support						
Annual fund	\$ 688,090	\$ -	\$ 688,090	\$ 641,953	\$ -	\$ 641,953
Contributions	149,876	2,167,279	2,317,155	47,317	1,935,291	1,982,608
Bequests	1,457,808	-	1,457,808	964,123	-	964,123
Endowment gifts	-	127,172	127,172	-	75,450	75,450
Grants	105,750	1,303,601	1,409,351	115,194	1,658,590	1,773,784
Contributions of land	141,700	246,000	387,700	-	185,816	185,816
Contributions for land and land stewardship	-	-	-	-	966,000	966,000
Dues	522,766	-	522,766	488,017	-	488,017
Rental	359,709	-	359,709	214,029	-	214,029
Forest operations	342,091	-	342,091	252,448	-	252,448
Reimbursement for services	47,618	-	47,618	1,634	-	1,634
Sale of materials	307,969	-	307,969	246,495	-	246,495
Donated conservation easements, goods and services	190,000	-	190,000	129,500	-	129,500
Miscellaneous income	3,120	-	3,120	244	-	244
<i>Total revenue and support</i>	4,316,497	3,844,052	8,160,549	3,100,954	4,821,147	7,922,101
Net assets released from restrictions for satisfaction of purpose restrictions	2,869,675	(2,869,675)	-	2,409,285	(2,409,285)	-
<i>Total revenue, support and net assets released from restriction</i>	7,186,172	974,377	8,160,549	5,510,239	2,411,862	7,922,101
Program expenses						
Land and easement stewardship	2,052,462	-	2,052,462	1,962,728	-	1,962,728
Land protection	1,772,867	-	1,772,867	792,310	-	792,310
Education and outreach	359,365	-	359,365	352,660	-	352,660
Membership	282,135	-	282,135	249,545	-	249,545
Policy	94,345	-	94,345	92,577	-	92,577
	4,561,174	-	4,561,174	3,449,820	-	3,449,820
Supporting services and general expenses						
Fundraising	482,500	-	482,500	513,951	-	513,951
Finance and administration	816,060	-	816,060	916,318	-	916,318
	1,298,560	-	1,298,560	1,430,269	-	1,430,269
<i>Total functional expenses</i>	5,859,734	-	5,859,734	4,880,089	-	4,880,089
<i>Increase in net assets from operations</i>	1,326,438	974,377	2,300,815	630,150	2,411,862	3,042,012
Nonoperating gains (losses) and other changes						
Investment income	112,822	225,221	338,043	109,491	216,786	326,277
Realized and unrealized gains (losses) on investments, net of fees	(392,735)	(976,492)	(1,369,227)	989,375	2,521,811	3,511,186
Contributions - Creek Farm	-	-	-	-	2,000,000	2,000,000
Loss on sale of land	(1,700)	-	(1,700)	(325,000)	-	(325,000)
Gain on disposal of assets	-	-	-	100	-	100
Gain on debt extinguishment related to Paycheck Protection Program (Note 17)	537,330	-	537,330	545,600	-	545,600
Gain on insurance proceeds for property damage	1,658	-	1,658	-	-	-
Non-operating building renovations - Creek Farm	-	-	-	(2,746,920)	-	(2,746,920)
<i>Total nonoperating gains (losses) and other changes</i>	257,375	(751,271)	(493,896)	(1,427,354)	4,738,597	3,311,243
Net assets released from restrictions for satisfaction of purpose restrictions	-	-	-	2,000,000	(2,000,000)	-
<i>Increase in net assets</i>	1,583,813	223,106	1,806,919	1,202,796	5,150,459	6,353,255
Net assets, beginning of year	10,209,739	83,944,860	94,154,599	9,006,943	78,794,401	87,801,344
Net assets, end of year	\$ 11,793,552	\$ 84,167,966	\$ 95,961,518	\$ 10,209,739	\$ 83,944,860	\$ 94,154,599

See Notes to Financial Statements.

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SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF CASH FLOWS Years Ended April 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 1,806,919	\$ 6,353,255
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	190,323	188,926
Realized and unrealized (gains) losses on investments	1,369,227	(3,511,186)
Reinvested income	(315,802)	(301,837)
Gain on debt extinguishment related to Paycheck Protection Program	(537,330)	(545,600)
Contributions of land received	(387,700)	(1,151,816)
Loss on sale of land	1,700	325,000
Gain on disposal of assets	-	(100)
Gain on insurance proceeds for property damage	(1,658)	-
Gifts restricted for endowment and capital cost of land acquisitions	(127,172)	(75,450)
Change in value of charitable gift annuities	(94,031)	(2,067)
Increase in contributions receivable	(28,094)	(578,549)
(Increase) decrease in other receivables	(23,627)	58,937
Decrease in grants receivable	-	25,300
(Increase) decrease in prepaid expenses	(5,485)	23,336
Decrease in inventories	18,422	83,074
Increase (decrease) in accounts payable	(9,104)	62,610
Increase in accrued liabilities	22,788	96,395
<i>Net cash provided by operating activities</i>	<u>1,879,376</u>	<u>1,050,228</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	757,340	667,632
Purchases of investments	(317,985)	-
Proceeds from sale of property and equipment	100	100
Proceeds from sale of land	140,000	-
Insurance proceeds from fire related to property loss	1,658	-
Cash paid for land	(310,554)	(490,054)
Cash paid for property and equipment	(826,767)	(853,145)
<i>Net cash used in investing activities</i>	<u>(556,208)</u>	<u>(675,467)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program funds	-	537,331
Repayments on notes payable	(11,250)	(11,250)
Gifts restricted for endowment and capital cost of land acquisitions	127,172	75,450
<i>Net cash provided by financing activities</i>	<u>115,922</u>	<u>601,531</u>
<i>Net increase in cash and cash equivalents</i>	<u>1,439,090</u>	<u>976,292</u>
Cash and cash equivalents, beginning of year	<u>8,305,193</u>	<u>7,328,901</u>
<i>Cash and cash equivalents, end of year</i>	<u>\$ 9,744,283</u>	<u>\$ 8,305,193</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended April 30, 2022 and 2021

		2022	2021
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash payments for interest	\$	17	\$ 71
Cash payments for taxes	\$	460	\$ 491

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended April 30, 2022

	Land and Easement Stewardship	Land Protection	Education and Outreach	Membership	Policy	Fundraising	Finance and Administration	Total
Salaries and wages	\$ 938,104	\$ 167,290	\$ 203,907	\$ 146,296	\$ 70,073	\$ 335,380	\$ 455,396	\$ 2,316,446
Employee benefits	231,359	44,449	53,830	41,888	18,778	86,311	144,388	621,003
<i>Total salaries and related expenses</i>	1,169,463	211,739	257,737	188,184	88,851	421,691	599,784	2,937,449
Program and event expenses	7,972	6,648	2,200	12,652	250	83	15,136	44,941
Conservation easements	-	1,035,600	-	-	-	-	-	1,035,600
Donated conservation easements	-	190,000	-	-	-	-	-	190,000
Professional services	211,709	180,941	48,911	19,898	1,688	5,336	185,155	653,638
Building and grounds	297,391	1,757	5,330	1,710	1,175	3,372	19,515	330,250
Land transaction assistance and grants	-	130,272	-	-	-	-	-	130,272
Advertising and printing	4,124	654	24,149	36,418	-	10,011	1,343	76,699
Cost of sales	80,569	-	-	1,876	-	-	472	82,917
Supplies and postage	51,029	507	10,750	21,243	65	25,225	42,305	151,124
Travel expenses, conferences and dues	54,560	3,689	5,621	58	888	655	4,742	70,213
Bank and credit card fees	4,582	100	-	-	-	15,379	1,599	21,660
Interest	-	-	-	-	-	-	17	17
Change in present value of annuities	-	-	-	-	-	-	(78,713)	(78,713)
Bad debt/pledge write off	-	-	-	96	-	-	-	96
Miscellaneous expense	50	193	128	-	26	-	2,732	3,129
Subscriptions and documents	3,545	9,016	3,804	-	589	607	2,558	20,119
<i>Total expenses before depreciation</i>	1,884,994	1,771,116	358,630	282,135	93,532	482,359	796,645	5,669,411
Depreciation	167,468	1,751	735	-	813	141	19,415	190,323
<i>Total expenses</i>	<u>\$ 2,052,462</u>	<u>\$ 1,772,867</u>	<u>\$ 359,365</u>	<u>\$ 282,135</u>	<u>\$ 94,345</u>	<u>\$ 482,500</u>	<u>\$ 816,060</u>	<u>\$ 5,859,734</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended April 30, 2021

	Land and Easement Stewardship	Land Protection	Education and Outreach	Membership	Policy	Fundraising	Finance and Administration	Total
Salaries and wages	\$ 903,734	\$ 178,928	\$ 191,961	\$ 161,754	\$ 70,928	\$ 379,735	\$ 469,728	\$ 2,356,768
Employee benefits	227,528	45,766	48,774	41,177	18,134	98,728	137,173	617,280
<i>Total salaries and related expenses</i>	1,131,262	224,694	240,735	202,931	89,062	478,463	606,901	2,974,048
Program and event expenses								
(reimbursements)	1,751	5,594	1,966	(282)	200	85	1,279	10,593
Conservation easements	-	219,500	-	-	-	-	-	219,500
Donated conservation easements	-	129,500	-	-	-	-	-	129,500
Professional services	166,791	86,205	40,420	11,238	-	595	184,758	490,007
Building and grounds	301,379	2,268	3,915	1,387	1,157	4,887	17,457	332,450
Land transaction assistance and grants	-	112,447	-	-	-	-	-	112,447
Advertising and printing	4,677	1,020	37,780	18,191	-	208	1,471	63,347
Cost of sales	134,590	-	-	1,392	-	-	518	136,500
Supplies and postage	18,546	481	19,151	14,531	16	14,799	42,284	109,808
Travel expenses, conferences and dues	33,418	1,798	834	9	739	563	3,359	40,720
Bank and credit card fees	4,202	103	-	-	-	12,034	1,174	17,513
Interest	71	-	-	-	-	-	-	71
Change in present value of annuities	-	-	-	-	-	-	38,981	38,981
Bad debt/pledge write off	-	-	-	148	-	-	-	148
Miscellaneous expense (reimbursement)	(2,506)	-	-	-	-	-	2,638	132
Subscriptions and documents	2,663	6,949	3,226	-	590	592	1,378	15,398
<i>Total expenses before depreciation</i>	1,796,844	790,559	348,027	249,545	91,764	512,226	902,198	4,691,163
Depreciation	165,884	1,751	4,633	-	813	1,725	14,120	188,926
<i>Total expenses</i>	<u>\$ 1,962,728</u>	<u>\$ 792,310</u>	<u>\$ 352,660</u>	<u>\$ 249,545</u>	<u>\$ 92,577</u>	<u>\$ 513,951</u>	<u>\$ 916,318</u>	<u>\$ 4,880,089</u>

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 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. It is the Forest Society's policy to write off uncollectible accounts receivable when management determines the receivable will not be collected. Accounts receivable are considered to be fully collectible and, accordingly, no allowance for doubtful accounts was considered necessary at April 30, 2022 and 2021.

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,	2022	2021
Current:		
Gift shop	\$ 5,219	\$ 3,607
Christmas trees expected to be sold within one year	1,928	28,082
<i>Total current</i>	<u>7,147</u>	<u>31,689</u>
Long-term:		
Christmas trees not expected to be sold within one year	49,626	43,506
<i>Total inventory</i>	<u>\$ 56,773</u>	<u>\$ 75,195</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.

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.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

- 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.

Land consists of the following:

April 30,	2022	2021
Permanent land holdings	\$ 65,117,954	\$ 64,561,400
Land held for resale	854,536	854,536
<i>Total</i>	<u>\$ 65,972,490</u>	<u>\$ 65,415,936</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, 2022 and 2021.

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.

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

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.

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: Generally accepted accounting principles (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 2019.

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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 February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This standard replaces the current guidance with regards to accounting for leases found in Leases (Topic 840) and will be effective, with the issuance of ASU No. 2020-05, in 2022 for private companies. Under ASC 842, a lessee will recognize a lease liability for all long-term leases equivalent to the discounted payments due under the lease agreement, as well as an offsetting right-of-use asset. Lessees (for capital and operating leases) can apply a modified retrospective method of adoption or can adopt the transition alternative. Management has not yet quantified the impact on the financial position of the Forest Society.

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, 2022, the Forest Society's uninsured cash balances totaled approximately \$357,000. 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 \$357,000 at April 30, 2022.

In addition, at April 30, 2022, the Forest Society had a cash balance amounting to approximately \$9,200,000 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.

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Note 4. Contributions Receivable

Contributions receivable consist of the following:

April 30,	2022	2021
Promise to give expected to be collected in:		
Less than one year	\$ 933,600	\$ 668,820
One to five years	25,000	278,968
Beyond five years	37,500	37,500
	996,100	985,288
Less discount to net present value	10,442	27,724
<i>Net contributions receivable</i>	<u>\$ 985,658</u>	<u>\$ 957,564</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% and 4% was applied to determine present value for the years ended April 30, 2022 and 2021, respectively. Contributions receivable are considered to be fully collectible and, accordingly, no allowance for doubtful accounts was considered necessary at April 30, 2022 and 2021.

Note 5. Investments

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

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Domestic equities	\$ 4,553,162	\$ 6,107,429	\$ 4,903,697	\$ 7,062,357
International equities	3,538,446	3,609,024	2,884,266	3,400,781
Fixed income securities	4,986,827	4,525,177	5,220,636	5,263,290
Specialty equity funds	1,567,369	1,581,619	1,158,933	1,572,644
Short term investments	10,649	10,649	27,606	27,606
<i>Total investments</i>	<u>\$ 14,656,453</u>	<u>\$ 15,833,898</u>	<u>\$ 14,195,137</u>	<u>\$ 17,326,678</u>

Investment return is summarized as follows:

April 30,	2022	2021
Interest on temporary cash balances	\$ 22,241	\$ 24,440
Interest and dividend income	315,802	301,837
Net realized and unrealized gains (losses)	(1,344,227)	3,536,186
<i>Investment return</i>	<u>\$ (1,006,184)</u>	<u>\$ 3,862,463</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Investment management fees amounted to \$25,000 for both years ended April 30, 2022 and 2021 and have been netted against realized and unrealized gains (losses) on investments in the accompanying statements of activities and changes in net assets.

Note 6. Property and Equipment

Property and equipment, at cost, April 30,	2022	2021
Building and land improvements	\$ 7,600,002	\$ 6,778,790
Equipment and software	679,410	673,956
Furniture and fixtures	102,055	102,055
Vehicles	142,298	142,298
<i>Total property and equipment</i>	<i>8,523,765</i>	<i>7,697,099</i>
Less accumulated depreciation	4,748,591	4,558,268
<i>Total property and equipment, net</i>	<i>\$ 3,775,174</i>	<i>\$ 3,138,831</i>

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.

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NOTES TO FINANCIAL STATEMENTS

Financial assets and liabilities carried at fair value on a recurring basis consisted of the following at April 30, 2022:

	Level 1	Level 2	Level 3
Assets:			
Domestic equity funds	\$ 6,107,429	\$ -	\$ -
Fixed income equity funds	4,525,177	-	-
International equity funds	3,609,024	-	-
Specialty equity funds	1,581,619	-	-
Cash and short term investments	10,649	-	-
Contributions receivable, net	-	-	985,658
<i>Total</i>	<u>\$ 15,833,898</u>	<u>\$ -</u>	<u>\$ 985,658</u>
Liabilities:			
Annuities payable	\$ -	\$ -	\$ 106,390

Financial assets and liabilities carried at fair value on a recurring basis consisted of the following at April 30, 2021:

	Level 1	Level 2	Level 3
Assets:			
Domestic equity funds	\$ 7,062,357	\$ -	\$ -
Fixed income equity funds	5,263,290	-	-
International equity funds	3,400,781	-	-
Specialty equity funds	1,572,644	-	-
Cash and short term investments	27,606	-	-
Contributions receivable, net	-	-	957,564
<i>Total</i>	<u>\$ 17,326,678</u>	<u>\$ -</u>	<u>\$ 957,564</u>
Liabilities:			
Annuities payable	\$ -	\$ -	\$ 200,422

Assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended April 30, 2022 and 2021:

	Annuities Payable, net	Contributions Receivable, net
Balance, April 30, 2021	\$ 200,421	\$ 957,564
Payments received	-	(1,044,228)
New contributions	-	1,057,043
Contribution receivable write-offs	-	(2,003)
Change to present value	(78,713)	17,282
Payments to beneficiaries	(15,318)	-
Balance, April 30, 2022	<u>\$ 106,390</u>	<u>\$ 985,658</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

	Annuities Payable, net	Contributions Receivable, net
Balance, April 30, 2020	\$ 202,488	\$ 379,015
Payments received	-	(344,083)
New contributions	-	947,788
Contribution receivable write-offs	-	(3,198)
Change to present value	38,981	(21,958)
Payments to beneficiaries	(41,048)	-
Balance, April 30, 2021	<u>\$ 200,421</u>	<u>\$ 957,564</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.

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, 2022. Bank advances on this line of credit bear interest equal to the Wall Street Journal Prime rate which was 3.5% at April 30, 2022. The line of credit is unsecured. There was no balance on the line of credit at April 30, 2022 and 2021.

Note 9. Notes Payable

April 30,	2022	2021
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.	\$ 90,000	\$ 101,250
	90,000	101,250
Portion payable within one year	11,250	11,250
Long-term debt, less current maturities	<u>\$ 78,750</u>	<u>\$ 90,000</u>

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Principal payments on long-term obligations are as follows:

Year Ending April 30,

2023	\$	11,250
2024		11,250
2025		11,250
2026		11,250
2027		11,250
Thereafter		33,750
Total	\$	<u>90,000</u>

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, 2022 and 2021.

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.

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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, 2022 and 2021.

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, 2022 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 5.8% draw on the true (permanently restricted) endowment.

Endowment net asset composition by type of fund as of April 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 11,139,553	\$ 11,139,553
Board designated endowment funds	487,970	-	487,970
Unrestricted invested funds	1,649,178	-	1,649,178
<i>Total</i>	<u>\$ 2,137,148</u>	<u>\$ 11,139,553</u>	<u>\$ 13,276,701</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

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Changes in endowment net assets as of April 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 2,299,839	\$ 12,356,872	\$ 14,656,711
Contributions	150,000	164,235	314,235
Investment return, net	(273,414)	(751,270)	(1,024,684)
Appropriation of endowment assets for expenditure	(39,277)	(630,284)	(669,561)
Endowment net assets, end of year	2,137,148	11,139,553	13,276,701
Other investments:			
Invested restricted funds	-	2,133,367	2,133,367
Charitable gift annuities	423,830	-	423,830
<i>Total investments</i>	<u>\$ 2,560,978</u>	<u>\$ 13,272,920</u>	<u>\$ 15,833,898</u>

Endowment net asset composition by type of fund as of April 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 12,356,872	\$ 12,356,872
Board designated endowment funds	379,031	-	379,031
Unrestricted invested funds	1,920,808	-	1,920,808
<i>Total</i>	<u>\$ 2,299,839</u>	<u>\$ 12,356,872</u>	<u>\$ 14,656,711</u>

Changes in endowment net assets as of April 30, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,357,388	\$ 10,185,311	\$ 11,542,699
Contributions	-	61,010	61,010
Investment return, net	963,451	2,738,598	3,702,049
Appropriation of endowment assets for expenditure	(21,000)	(628,047)	(649,047)
Endowment net assets, end of year	2,299,839	12,356,872	14,656,711
Other investments:			
Invested restricted funds	-	2,197,243	2,197,243
Charitable gift annuities	472,724	-	472,724
<i>Total investments</i>	<u>\$ 2,772,563</u>	<u>\$ 14,554,115</u>	<u>\$ 17,326,678</u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

Note 12. Net Assets with Donor Restrictions

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

April 30,	2022	2021
Subject to expenditure for specified purpose or period:		
Land protection	\$ 4,671,848	\$ 5,369,488
Reservation stewardship	3,016,743	1,477,456
Education	118,519	127,368
Policy	37,309	37,536
Administration	31,600	1,600
Communications outreach	28,689	9,061
Easement stewardship	5,751	4,079
<i>Total subject to expenditure for specified purpose or period</i>	<u>7,910,459</u>	<u>7,026,588</u>
Endowments subject to the Forest Society's spending policy and appropriation:		
Investments in perpetuity (original amounts of \$9,716,291 in 2022 and \$9,613,537 in 2021), which one appropriated, is expendable to support activities of the Forest Society	<u>11,139,553</u>	<u>12,356,872</u>
Not subject to appropriation or expenditure:		
Permanent land holdings	<u>65,117,954</u>	<u>64,561,400</u>
<i>Total net assets with donor restrictions</i>	<u><u>\$ 84,167,966</u></u>	<u><u>\$ 83,944,860</u></u>

Note 13. Net Assets without Donor Restrictions

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

April 30,	2022	2021
Undesignated	\$ 5,026,694	\$ 3,916,533
Undesignated - invested in land, property and equipment	4,629,710	3,993,367
Board designated for endowment	487,970	379,031
Unrestricted invested funds	1,649,178	1,920,808
<i>Total net assets without donor restrictions</i>	<u><u>\$ 11,793,552</u></u>	<u><u>\$ 10,209,739</u></u>

SOCIETY FOR THE PROTECTION OF NEW HAMPSHIRE FORESTS

NOTES TO FINANCIAL STATEMENTS

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,	2022	2021
Cash	\$ 9,744,283	\$ 8,305,193
Investments	15,833,898	17,326,678
Contributions receivable	985,658	957,564
Accounts receivable	5,619	4,643
<i>Financial assets, at year-end</i>	<u>26,569,458</u>	<u>26,594,078</u>
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donors with purpose restrictions	(6,173,807)	(5,233,824)
Restricted by donors in perpetuity	(10,568,021)	(11,823,793)
Investments held in annuity trust	(423,830)	(472,724)
Board designations	(729,811)	(565,578)
Unrestricted invested funds	<u>(1,516,488)</u>	<u>(2,845,916)</u>
<i>Financial assets available to meet cash needs for general expenditures within one year</i>	<u>\$ 7,157,501</u>	<u>\$ 5,652,243</u>

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 \$487,970 and unrestricted investments of \$1,649,178. 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.

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.

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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, 2022 and 2021, the Forest Society's contribution to the plan totaled \$75,746 and \$72,954, 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.

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.

For the year ended April 30, 2020, the Forest Society received insurance proceeds which totaled \$1,855,818. There are additional insurance proceeds totaling \$593,288 representing depreciation holdback for both the building and building contents expected to be received in the future. The depreciation holdback will be paid when construction is complete.

Note 17. COVID-19

The COVID-19 pandemic has impacted and could further impact the Forest Society's operations and the operations of the Forest Society's donors and vendors. The extent of the impact of COVID-19 on the Forest Society's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and the impact on the Forest Society's donors, employees, and vendors, all of which are uncertain and cannot be predicted.

In January 2021, the Forest Society received an additional \$537,330 in funds from the federal Paycheck Protection Program round 2 (PPP2). Any amounts not forgiven at the end of the program period convert into a loan with 1% interest, payable over 2 years. The cash received under the PPP2 is recorded as a liability until the conditions are substantially met. When the Forest Society has substantially met the conditions of the program and qualifying expenses are incurred, the cancellation of the liability is recorded as revenue. As of April 30, 2021, the Forest Society had met conditions and incurred expenses in the amount of the loan and the \$537,330 was recorded as revenue in the statements of activities and changes in net assets.

Note 18. Subsequent Events

Subsequent to year end, the Forest Society agreed to terms on a non-revolving line of credit of \$3,000,000.

The Forest Society has evaluated subsequent events through August 3, 2022, the date which the financial statements were available to be issued and have not evaluated subsequent events after that date. There were no other subsequent events identified that would require disclosure in the financial statements for the year ended April 30, 2022.