

NEW HAMPSHIRE FARM BUREAU FEDERATION  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

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## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of  
New Hampshire Farm Bureau Federation  
295 Sheep Davis Road  
Concord, New Hampshire

We have reviewed the accompanying financial statements of New Hampshire Farm Bureau Federation (a non-profit organization), which comprise the statements of financial position as of September 30, 2021 and 2020 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility 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; this includes 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.

### Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Anderson & Cloues, PLLC*

November 16, 2021

NEW HAMPSHIRE FARM BUREAU FEDERATION  
STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30, 2021 AND 2020

<u>ASSETS</u>		
	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 332,300	\$ 525,000
Marketable securities	1,227,500	936,600
Accounts receivable	11,700	9,000
Certificates of deposit - special funds	6,400	6,400
Prepaid expenses	4,800	4,900
Prepaid state taxes	-	200
Inventory	700	2,400
Total Current Assets	1,583,400	1,484,500
 <u>PROPERTY AND EQUIPMENT, net</u>	 164,200	 141,100
 TOTAL ASSETS	 \$ 1,747,600	 \$ 1,625,600
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 6,400	\$ 11,200
Accrued wages	4,100	5,600
Accrued vacation	2,300	2,200
Security deposit	1,800	-
Prepaid dues	46,900	57,700
State taxes payable	700	-
SBA loan payable	-	39,000
Associated Women Fund	19,900	19,900
Total liabilities	82,100	135,600
 <u>NET ASSETS</u>		
Unrestricted		
Undesignated	1,651,000	1,475,500
Designated for specific purpose	14,500	14,500
Total net assets	1,665,500	1,490,000
 TOTAL LIABILITIES AND NET ASSETS	 \$ 1,747,600	 \$ 1,625,600

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT AND ACCOMPANYING NOTES

NEW HAMPSHIRE FARM BUREAU FEDERATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b><u>CHANGES IN UNRESTRICTED NET ASSETS</u></b>		
<b><u>REVENUES AND GAINS</u></b>		
Membership	\$ 188,500	\$ 201,700
Investment income	41,300	49,900
Investment gains/(losses)	207,100	27,200
Putnam Agricultural Foundation Fund	48,400	38,500
UNH Grant	100	1,300
Member list purchase	58,300	64,800
Member service income	14,100	6,900
Advertising	16,600	23,400
Annual meeting	2,400	10,600
Rent	8,600	41,200
Program Services	1,400	-
Miscellaneous	600	10,600
Total Unrestricted Revenue and Gains	<u>587,400</u>	<u>476,100</u>
<b><u>EXPENSES</u></b>		
Administrative	158,700	164,900
Program Services	229,400	279,500
Fundraising	23,800	27,800
Total Expenses	<u>411,900</u>	<u>472,200</u>
Increase in unrestricted net assets	175,500	3,900
Net assets, beginning of year as previously reported	1,475,500	1,471,600
Net assets, September 30	<u>\$ 1,651,000</u>	<u>\$ 1,475,500</u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT AND ACCOMPANYING NOTES

NEW HAMPSHIRE FARM BUREAU FEDERATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>			Total
	Program Services	Admin- istrative	Fund- raising	
President's per diem and expenses	\$ 1,100	\$ 1,000	\$ -	\$ 2,100
Salaries and wages	72,300	73,500	14,800	160,600
Staff expenses	700	200	500	1,400
Benefit program	5,000	5,000	100	10,100
Payroll taxes	5,800	5,800	1,200	12,800
Associated Women	900	-	-	900
Young Farmers	2,200	-	-	2,200
Accounting and legal	-	4,100	-	4,100
Building operating costs	30,200	29,900	2,800	62,900
Lease expenses	5,500	5,500	1,600	12,600
Meetings	4,300	3,900	200	8,400
State committees	1,800	1,100	100	3,000
Information program	600	-	-	600
Publications - printing and postage	29,800	-	-	29,800
Annual meeting	1,700	-	-	1,700
County meeting	-	-	-	-
Insurance	1,400	2,500	-	3,900
Office and miscellaneous	9,400	7,100	1,400	17,900
Deerfield Fair	400	100	200	700
Telephone and internet	2,200	1,200	400	3,800
Maintenance	3,200	3,100	500	6,800
Contracted services	11,500	11,900	-	23,400
Dues	28,100	-	-	28,100
Depreciation - equipment	1,900	1,800	-	3,700
Business Enterprise tax	-	1,000	-	1,000
Interest	1,000	-	-	1,000
Donations	8,400	-	-	8,400
Total expenses	<u>\$ 229,400</u>	<u>\$ 158,700</u>	<u>\$ 23,800</u>	<u>\$ 411,900</u>

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NEW HAMPSHIRE FARM BUREAU FEDERATION  
 STATEMENTS OF FUNCTIONAL EXPENSES  
 FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2020</u>			Total
	Program Services	Admin- istrative	Fund- raising	
President's per diem and expenses	\$ 1,100	\$ 1,100	\$ -	\$ 2,200
Salaries and wages	96,000	97,600	19,700	213,300
Staff expenses	1,000	400	900	2,300
Benefit program	6,500	6,500	100	13,100
Payroll taxes	7,600	7,600	1,500	16,700
Associated Women	2,800	-	-	2,800
Young Farmers	4,700	-	-	4,700
Accounting and legal	-	4,300	-	4,300
Building operating costs	19,100	18,900	1,800	39,800
Lease expenses	5,600	5,600	1,600	12,800
Meetings	2,100	1,900	100	4,100
State committees	1,400	900	100	2,400
Information program	6,900	-	-	6,900
Publications - printing and postage	29,200	-	-	29,200
Annual meeting	18,700	-	-	18,700
County meeting	8,900	-	-	8,900
Insurance	1,400	2,400	-	3,800
Office and miscellaneous	6,500	5,000	1,000	12,500
Deerfield Fair	-	-	-	-
Telephone and internet	2,400	1,300	500	4,200
Maintenance	3,500	3,400	500	7,400
Contracted services	4,800	5,000	-	9,800
Dues	37,900	-	-	37,900
Depreciation - equipment	1,800	1,700	-	3,500
Business Enterprise tax	-	1,300	-	1,300
Interest	-	-	-	-
Donations	9,600	-	-	9,600
Total expenses	<u>\$ 279,500</u>	<u>\$ 164,900</u>	<u>\$ 27,800</u>	<u>\$ 472,200</u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT AND ACCOMPANYING NOTES

NEW HAMPSHIRE FARM BUREAU FEDERATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Increase in net assets	\$ 175,500	\$ 3,900
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation - equipment	3,700	3,500
Depreciation - building	6,500	5,700
Realized (gains)/losses on marketable securities	(12,100)	18,800
Unrealized gains on marketable securities	(195,000)	(46,000)
(Increase) decrease in current assets		
Accounts receivable	(2,700)	(8,000)
Prepaid expenses	100	100
Prepaid state taxes	200	(200)
Inventory	1,700	600
Increase (decrease) in current liabilities		
Accounts payable	(4,800)	3,400
Accrued wages	(1,500)	(200)
Accrued vacation	100	(2,200)
Security deposit	1,800	-
Prepaid dues	(10,800)	1,500
State taxes payable	700	-
Associated Women Fund	-	-
	<u>(36,600)</u>	<u>(19,100)</u>
Net cash provided by operating activities		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of marketable securities	(199,400)	(125,200)
Proceeds from sale of marketable securities	115,600	276,800
Purchase of equipment	(33,300)	(9,000)
	<u>(117,100)</u>	<u>142,600</u>
Net cash used (provided) by investing activities		
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Debt proceeds	-	39,000
Payments on debt	(39,000)	-
	<u>(39,000)</u>	<u>39,000</u>
Net cash used (provided) by financing activities		
Net increase (decrease) in cash and cash equivalents	(192,700)	162,500
Cash and cash equivalents, October 1	<u>531,400</u>	<u>362,500</u>
Cash and cash equivalents, September 30	<u>\$ 338,700</u>	<u>\$ 525,000</u>

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT AND ACCOMPANYING NOTES

NEW HAMPSHIRE FARM BUREAU FEDERATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The New Hampshire Farm Bureau Federation (the Federation), incorporated in 1915 under the laws of the State of New Hampshire, is an independent, non-profit, voluntary organization of farm and rural families united for the purpose of analyzing their problems and formulating action at the grassroots level. The Federation is a federation of 10 organized local farm bureaus. It is the largest general farm organization in New Hampshire, with over 3,600 member families.

Significant Accounting Policies

Method of Accounting

The financial statements of the Federation have been prepared using the accrual basis of accounting.

Financial Statement Presentation

The Federation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Federation is required to report information regarding its financial position and activities according to three classes of net assets, unrestricted, temporarily restricted, and permanently restricted. In addition, the Federation is required to present a statement of cash flows. The Federation follows the policy of recording temporarily restricted assets whose restrictions have been met in the same year as received as unrestricted assets.

Currently there are no temporarily or permanently restricted net assets.

Investments

The Federation has elected to adopt SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit-Organizations". Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and cash equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair market value approximates carrying amounts.

Property and Equipment

Assets are recorded at cost. Real estate purchased prior to January 1, 1987 is depreciated over thirty-five years using the straight-line method. Real estate improvements made after January 1, 1987 are depreciated over 31.5 years using the straight-line method. Equipment placed in service after September 30, 1995 is depreciated over five to seven years using the straight line method.

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NEW HAMPSHIRE FARM BUREAU FEDERATION  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2021 AND 2020

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Membership dues revenue is recognized in the period in which it relates. Many members pay dues in advance of the period to which they apply. These amounts are recorded as prepaid dues when received, then transferred to revenue during the period for which they apply.

Concentration of Risk

New Hampshire Farm Bureau Federation's revenue is primarily from farm and related industries in New Hampshire. Events impacting such industries would likely affect their revenue.

Income Taxes

New Hampshire Farm Bureau Federation is a non-profit organization determined to be exempt from federal and state income taxes under Internal Revenue Code, Section 501(c)(5).

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of September 30, 2021 and 2020 are as follows:

	2021	2020
Petty cash	\$ 300	\$ 300
Checking accounts - local banks	67,300	78,800
Money market accounts - RBC	235,200	416,400
Savings accounts - special fund	13,700	13,700
Money market accoun - special fund	<u>15,800</u>	<u>15,800</u>
Total	<u>\$ 332,300</u>	<u>\$ 525,000</u>

The Federation maintains its checking and savings accounts in institutions where balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. There were no uninsured cash balances as of September 30, 2021 and 2020.

NEW HAMPSHIRE FARM BUREAU FEDERATION  
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3. MARKETABLE SECURITIES—RESERVE

	2021	2020
Buffalo Funds	\$ 120,500	\$ 136,700
iShares Core S&P Small Cap	41,500	41,500
SPDR Russell Small Cap	33,900	33,900
Pear Tree	-	57,900
Vanguard Specialized Fund	21,600	28,500
iShares Core Conservative	25,700	34,500
New Perspective Fund	205,100	193,800
First Trust	24,900	24,900
iShares Core Mid Cap	24,400	24,400
iShares Trust	13,700	13,700
Amercian Target Retirement	188,500	156,600
Amercian Funds Target	73,600	51,300
General Electric	1,500	-
First Trust Exchange	24,000	-
iShares Small Cap	3,900	-
iShares Core S&P 500	30,300	-
iShares TR Core	10,300	-
iShares Core MSCI	4,500	-
Vanguard Index Funds	5,100	-
Vanguard FTSE Emerging	5,300	-
Vanguard FTSE Developed	14,600	-
Vanguard S&P 500	24,300	-
Bonds	<u>24,400</u>	<u>28,000</u>
	Total Cost Basis	825,700
	Unrealized Gain	<u>110,900</u>
	Total Fair Value	<u>\$ 936,600</u>

4. SPECIAL FUNDS

The board of directors has designated certain funds for particular purposes, and also holds certain monies for a related organization, as follows:

Board-designated funds:

The George M. Putnam Farm Bureau Fund is used to fund charitable activities that support agriculture.

The Alfred L. French Memorial Fund is used to support Young Farmers programs.

Fund held for a related organization:

The Associated Women Fund is controlled indirectly by the Federation. Monies are used for Associated Woman programming and donated to charities, which fall within the mission statement of the Federation. The federation's board of directors approves the Associated Women's annual budget.

(Continued)

NEW HAMPSHIRE FARM BUREAU FEDERATION  
NOTES TO FINANCIAL STATEMENTS  
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4. SPECIAL FUNDS (continued)

The balances in the special funds are reported on the statement of financial position as follows:

<u>Assets</u>	2021	2020
Savings Accounts-Special Fund		
Associated Women Fund		
First Colebrook Bank	\$ 13,700	\$ 13,700
 Money Market - Special Fund		
Alfred L. French Memorial Fund		
Centennial Money Market Trust, held with		
RBC Wealth Management	15,800	15,800
 Certificates of Deposit - Special Fund		
Associated Women Fund		
Bangor Savings Bank #35485		
24 month CD Matures 7/14/2022	<u>6,400</u>	<u>6,400</u>
Total Assets	<u>\$ 35,900</u>	<u>\$ 35,900</u>

<u>Liabilites</u>		
Associated Women Fund		
First Colebrook Bank	\$ 13,700	\$ 13,700
Bangor Savings Bank #35485	<u>6,400</u>	<u>6,400</u>
Total Liabilites	<u>\$ 20,100</u>	<u>\$ 20,100</u>

<u>Net Assets</u>		
Designated for Special Purpose		
Alfred L. French Memorial Fund	<u>\$ 15,800</u>	<u>\$ 15,800</u>

Activity in the three special funds is summarized as follows:

ALFRED L. FRENCH MEMORIAL FUND		
Beginning Balance	\$ 15,800	\$ 15,800
Dividends Reinvested	<u>-</u>	<u>-</u>
Ending Balance	<u>\$ 15,800</u>	<u>\$ 15,800</u>

ASSOCATED WOMEN FUND		
Beginning Balance	\$ 20,100	\$ 20,000
Interest Income	<u>\$ -</u>	<u>\$ 100</u>
Ending Balance	<u>\$ 20,100</u>	<u>\$ 20,100</u>

In addition to the activity in the Associated Women Fund, which is not reported in the Federation's statement of activities, the Federation pays certain expenses of the Associated Women. These expenses totaled \$1,800 and \$1,000 for the years ending September 30, 2021 and 2020, respectively.

NEW HAMPSHIRE FARM BUREAU FEDERATION  
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5. ACCOUNTS RECEIVABLE

Management considers all accounts receivable to be fully collectible. The balances at September 30, 2021 and 2020 consisted of the following amounts:

	2021	2020
Various County Farm Bureaus	\$ 1,400	\$ 1,000
Others	<u>10,300</u>	<u>8,000</u>
Total	<u>\$ 11,700</u>	<u>\$ 9,000</u>

6. PROPERTY AND EQUIPMENT

Detail of the Federation's property and equipment as of September 30, 2021 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 69,900	\$ -	\$ 69,900
Buildings	412,600	327,700	84,900
Historical Books	700	-	700
Parking Lot	10,500	10,500	-
Equipment	<u>163,400</u>	<u>154,700</u>	<u>8,700</u>
	<u>\$ 657,100</u>	<u>\$ 492,900</u>	<u>\$ 164,200</u>

Detail of the Federation's property and equipment as of September 30, 2020 is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 69,900	\$ -	\$ 69,900
Buildings	380,600	321,200	59,400
Historical Books	700	-	700
Parking Lot	10,500	10,500	-
Equipment	<u>162,100</u>	<u>151,000</u>	<u>11,100</u>
	<u>\$ 623,800</u>	<u>\$ 482,700</u>	<u>\$ 141,100</u>

7. RENT INCOME

The Federation leases office space to Family Farm Insurance for one month in 2021. A new tenant moved into the building in July of 2021. The tenant is now renting on a month to month basis. The monthly lease payments for the lease to the new tenant were \$1,800 and annual rental income totaled \$8,600 and \$41,100 for the years ending September 30, 2021 and 2020, respectively. Additionally, in 2021 and 2020, the meeting room was rented out for \$-0- and \$100, respectively.

8. BENEFIT PROGRAM

A Simplified Employee Pension Plan was set up effective January 1, 1996. It covers all current employees 21 years old who have been employed for at least six months. The board has designated that the Federation will contribute 2% of all eligible employees' salaries regardless of whether or not the employee contributes to the plan. The contributions made by the Federation for September 30, 2021 and 2020 were \$2,900 and \$ 4,000, respectively.

NEW HAMPSHIRE FARM BUREAU FEDERATION  
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9. BUILDING OPERATING COSTS

	2021	2020
Property Taxes	\$ 18,800	\$ 19,600
Insurance	1,500	1,500
Fuel & gas	4,300	4,300
Electricity	3,000	4,400
Repairs & maintenance	28,800	4,300
Depreciation	<u>6,500</u>	<u>5,700</u>
Total	<u>\$ 62,900</u>	<u>\$ 39,800</u>

10. SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions through the date of this report for potential recognition or disclosure in the financial statements and has noted no subsequent events requiring recognition or disclosure.