



**AMERICAN FOREST FOUNDATION
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022





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CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
American Forest Foundation

Opinion

We have audited the accompanying consolidated financial statements of the American Forest Foundation and Subsidiaries (AFF), which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of AFF as of December 31, 2022 and 2021, and the consolidated changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

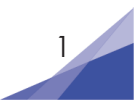
Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of AFF 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AFF's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.





Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 AFF's 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AFF's 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.



Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 22 through 24 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CalibreCPAGroup, PLLC

Bethesda, MD
June 24, 2023

AMERICAN FOREST FOUNDATION AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 8,035,699	\$ 313,289
Grants receivable	4,241,368	2,585,262
Contributions receivable	179,545	6,000
Accrued interest	275,062	95,804
Accounts receivable	34,795	19,713
Advances to grant partners	8,351	113,123
Prepaid expenses	871,410	114,291
Total current assets	13,646,230	3,247,482
Investments	154,287,162	181,823,456
Property and equipment, net	269,328	339,208
Right-of-use asset	1,489,654	-
Contributions receivable, net of current portion	51,579	6,000
Other assets	201,385	36,385
Total assets	\$ 169,945,338	\$ 185,452,531
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,724,276	\$ 1,722,254
Refundable advance	338,362	158,666
Debt payable	15,513	16,622
Deferred revenue	7,100,961	6,333
Lease liability	563,454	-
Deferred lease incentives	-	119,415
Total current liabilities	11,742,566	2,023,290
Long-term liabilities		
Long-term debt, net of current portion	84,789	123,973
Lease liability, net of current portion	1,470,496	-
Green bond liability	10,000,000	-
Less: unamortized discount and bond origination	(407,483)	-
Green bond liability, net	9,592,517	-
Deferred lease incentives, net of current portion	-	544,296
Total long-term liabilities	11,147,802	668,269
Total liabilities	22,890,368	2,691,559
Net assets		
Without donor restrictions	142,068,281	181,382,908
With donor restrictions	4,986,689	1,378,064
Total net assets	147,054,970	182,760,972
Total liabilities and net assets	\$ 169,945,338	\$ 185,452,531

See accompanying notes to consolidated financial statements.

AMERICAN FOREST FOUNDATION AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions and non-federal grants	\$ 617,958	\$ 11,365,658	\$ 11,983,616	\$ 1,266,850	\$ 7,572,000	\$ 8,838,850
Contributions of nonfinancial assets	165,000	-	165,000	-	-	-
Federal grants and contracts	-	4,026,075	4,026,075	-	3,460,097	3,460,097
Investment income, net	(25,531,232)	-	(25,531,232)	23,730,930	-	23,730,930
Meetings and other revenue	461,198	-	461,198	267,414	-	267,414
Net assets released from restrictions	<u>11,783,108</u>	<u>(11,783,108)</u>	<u>-</u>	<u>10,650,474</u>	<u>(10,650,474)</u>	<u>-</u>
Total support and revenue	<u>(12,503,968)</u>	<u>3,608,625</u>	<u>(8,895,343)</u>	<u>35,915,668</u>	<u>381,623</u>	<u>36,297,291</u>
Expenses						
Program services	22,930,402	-	22,930,402	18,840,349	-	18,840,349
Management and general	3,094,826	-	3,094,826	2,602,572	-	2,602,572
Fundraising	<u>785,431</u>	<u>-</u>	<u>785,431</u>	<u>815,370</u>	<u>-</u>	<u>815,370</u>
Total expenses	<u>26,810,659</u>	<u>-</u>	<u>26,810,659</u>	<u>22,258,291</u>	<u>-</u>	<u>22,258,291</u>
Change in net assets before						
Income taxes and other losses	(39,314,627)	3,608,625	(35,706,002)	13,657,377	381,623	14,039,000
Provision for income taxes						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,972)</u>	<u>-</u>	<u>(25,972)</u>
Change in net asset/net income						
	(39,314,627)	3,608,625	(35,706,002)	13,631,405	381,623	14,013,028
Net assets/retained earnings						
Beginning of year	<u>181,382,908</u>	<u>1,378,064</u>	<u>182,760,972</u>	<u>167,751,503</u>	<u>996,441</u>	<u>168,747,944</u>
End of year	<u>\$ 142,068,281</u>	<u>\$ 4,986,689</u>	<u>\$ 147,054,970</u>	<u>\$ 181,382,908</u>	<u>\$ 1,378,064</u>	<u>\$ 182,760,972</u>

See accompanying notes to consolidated financial statements.



AMERICAN FOREST FOUNDATION AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Woodlands</u>	<u>and General</u>		
Salaries	\$ 7,596,729	\$ 1,450,592	\$ 478,818	\$ 9,526,139
Employee benefits and payroll taxes	1,751,618	439,587	112,626	2,303,831
Accounting	5,962	38,000	-	43,962
Consultants	3,425,613	692,951	28,588	4,147,152
Depreciation and amortization	64,034	7,512	2,065	73,611
Design/production	85,298	-	36,279	121,577
Grants	5,456,896	-	-	5,456,896
Information technology	654,772	210,304	52,495	917,571
Insurance	88,346	10,363	2,849	101,558
Interest	257,296	-	-	257,296
Landowner payments	1,511,133	-	-	1,511,133
Lease expense	448,077	50,662	13,926	512,665
Legal	70,050	62,460	14,011	146,521
Materials	76,802	-	-	76,802
Meetings	78,601	6,288	369	85,258
Miscellaneous	69,779	48,558	351	118,688
Office expense	54,392	2,073	2,208	58,673
Postage and shipping	14,992	5,105	7,891	27,988
Printing and publications	2,681	3,847	3,966	10,494
Promotion	734,945	-	600	735,545
Research/evaluation	-	-	-	-
Travel	482,386	66,524	28,389	577,299
	<u>482,386</u>	<u>66,524</u>	<u>28,389</u>	<u>577,299</u>
Total expenses	<u>\$ 22,930,402</u>	<u>\$ 3,094,826</u>	<u>\$ 785,431</u>	<u>\$ 26,810,659</u>

See accompanying notes to consolidated financial statements.



AMERICAN FOREST FOUNDATION AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>	<u>Management</u>	<u>Fundraising</u>	<u>Total</u>
	<u>Woodlands</u>	<u>and General</u>		
Salaries	\$ 5,492,942	\$ 1,137,663	\$ 408,190	\$ 7,038,795
Employee benefits and payroll taxes	1,236,472	287,172	100,530	1,624,174
Accounting	9,197	56,172	-	65,369
Consultants	3,641,990	731,593	172,864	4,546,447
Depreciation and amortization	70,871	9,790	3,067	83,728
Design/production	42,186	-	49,693	91,879
Grants	6,377,509	-	-	6,377,509
Information technology	441,096	53,303	17,057	511,456
Insurance	114,126	14,330	4,489	132,945
Lease expense	430,537	57,155	17,906	505,598
Legal	4,085	91,554	-	95,639
Materials	109,370	-	-	109,370
Meetings	57,596	15,544	2,307	75,447
Miscellaneous	199,801	72,464	114	272,379
Office expense	118,617	12,534	6,902	138,053
Postage and shipping	8,120	5,327	6,029	19,476
Printing and publications	7,474	-	9,493	16,967
Promotion	360,582	337	4,169	365,088
Research/evaluation	662	-	133	795
Travel	117,116	57,634	12,427	187,177
	<u>18,840,349</u>	<u>2,602,572</u>	<u>815,370</u>	<u>22,258,291</u>
Total expenses	<u>\$ 18,840,349</u>	<u>\$ 2,602,572</u>	<u>\$ 815,370</u>	<u>\$ 22,258,291</u>

See accompanying notes to consolidated financial statements.

**AMERICAN FOREST FOUNDATION
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (35,706,002)	\$ 14,013,028
Adjustments to reconcile change in net assets to net cash used for operating activities		
Amortization expense on green bond	21,074	-
Depreciation and amortization	73,611	83,728
Realized and unrealized gains	28,967,669	(21,171,634)
Changes in assets and liabilities		
Grants receivable	(1,656,106)	(1,227,536)
Contribution receivable	(219,124)	32,500
Accrued interest	(179,258)	(95,804)
Accounts receivable	(15,082)	(7,050)
Advances to grant partners	104,772	158,518
Prepaid expenses	(757,119)	(28,085)
Other assets	(165,000)	-
Right-of-use asset	(1,489,654)	-
Accounts payable and accrued expenses	2,002,022	512,328
Refundable advance	179,696	40,489
Deferred revenue	7,094,628	(5,663)
Lease liability	2,033,950	-
Deferred lease incentives	(663,711)	(106,007)
Net cash used for operating activities	<u>(373,634)</u>	<u>(7,801,188)</u>
Cash flows from investing activities		
Purchases of investments	(206,346,493)	(267,621,592)
Proceeds from sales of investments	204,915,118	274,163,064
Purchases of equipment	<u>(3,731)</u>	<u>(3,715)</u>
Net cash provided by (used for) investing activities	<u>(1,435,106)</u>	<u>6,537,757</u>
Cash flows from financing activities		
Proceeds from green bond issuance	9,571,443	-
Payment of debt	<u>(40,293)</u>	<u>(35,570)</u>
Net cash provided by (used for) financing activities	<u>9,531,150</u>	<u>(35,570)</u>
Net change in cash and cash equivalents	7,722,410	(1,299,001)
Cash and cash equivalents		
Beginning of year	<u>313,289</u>	<u>1,612,290</u>
End of year	<u>\$ 8,035,699</u>	<u>\$ 313,289</u>

See accompanying notes to consolidated financial statements.



AMERICAN FOREST FOUNDATION AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1. ORGANIZATION AND TAX STATUS

The American Forest Foundation (AFF) is a publicly supported not-for-profit organization established to conduct charitable, educational, research and scientific programs aimed at the responsible use and conservation of renewable resources. AFF is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), except on net income, if any, generated by unrelated business activities. AFF is similarly exempt from District of Columbia franchise taxes and qualifies as a publicly-supported organization.

WoodsCamp Technologies Inc., (WoodsCamp; collectively AFF) a wholly-owned for-profit subsidiary of AFF, provides software development and associated tools, information, and services to support forest land management and landowner interactions.

Family Forest Impact Foundation, LLC., (FFIF; collectively AFF) a single member limited liability company was formed by AFF in November 2019. FFIF is considered a disregarded entity to AFF for federal tax purposes. The FFIF supports AFF in its efforts to further environmental conservation and protection by helping to advance and promote the marketability of positive and quantifiable environmental impacts created through forest management actions by family woodland owners in the United States.

AFF accounts for income taxes in accordance with the Accounting Standards Codification (ASC) Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. AFF performed an evaluation of uncertain tax positions for the years ended December 31, 2022 and 2021, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have an effect on its tax-exempt status. As of December 31, 2022, the statute of limitations for tax years 2019 through 2021 remains open with the U.S. federal jurisdiction and the District of Columbia. It is AFF's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in unrelated business income tax expense.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation - The consolidated financial statements of AFF have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation - Financial statement presentation follows the recommendations of U.S. generally accepted accounting principles in accordance with Financial Accounting Standards Board ASC, *Not-for-Profit Entities - Presentation of Financial Statements*. Under those principles, AFF is required to report information regarding its financial position and activities according to two classes of net assets - net assets without donor restrictions and net assets with donor restrictions.

Use of Estimates - The preparation of consolidated financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Cash consists of amounts on deposit in bank checking accounts. Cash equivalents include amounts on deposit in bank money market accounts and securities with initial maturities of three months or less, unless held as part of AFF's long-term investment portfolio.

Promises to Give - Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Accounts Receivable - Accounts receivable are carried at their net realizable value. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. As of December 31, 2022 and 2021, there was no balance in the allowance for uncollectible accounts as management determined that all amounts are fully collectible. All accounts receivables are due within one year from the consolidated statements of financial position date.

Investment Valuation and Income Recognition - Investments are carried at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of investments are recognized on a trade-date basis. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date. Net appreciation includes AFF's gains and losses on investments bought and sold, as well as held during the year. Investment income includes interest and dividends, realized gains or losses on investments sold during the year, and unrealized gains or losses on investments held at year-end, net of related investment expenses.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment - Office furniture, equipment and leasehold improvements are reported at cost less accumulated depreciation and amortization. Individual items with an acquisition cost exceeding \$2,500 and having an estimated useful life of more than one year are capitalized, while maintenance, repairs, and purchases below the capitalization threshold are expensed in the year incurred. Office furniture and equipment are depreciated over seven years; computer equipment and software are depreciated over three years; and leasehold improvements are amortized over the lesser of the lease terms or their estimated useful lives.

Net Assets - Net assets are reported in two distinct classes as follows:

Net assets without donor restrictions - These net assets are available to finance the general operations of AFF. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of AFF, the environment in which it operates, and the purposes specified in its organizing documents.

Net assets with donor restrictions - These net assets result from contributions and other inflows of assets, the use of which by AFF is limited by donor-imposed time or purpose restrictions that are either temporary or perpetual.

Revenue Recognition - Revenue is derived from both exchange transactions and contribution transactions. Revenue from exchange transactions is recognized when control of promised goods or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. All services are transferred at a point in time. Payments are generally required in advance and are reported as deferred revenue until the related revenue is recognized.

Contributions - Contributions received are reported as increases in net assets not subject to donor restrictions unless received with donor stipulations that require the assets be used for specific purposes or in specific time periods. All donor-restricted revenue is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Grants - Most grant agreements are accounted for as contribution transactions. When an agreement includes both a barrier and either a right of return of assets to the resource provider or a right of release from obligation by the resource provider, the contribution is considered to be conditional. Amounts received under conditional transfers are reported as a liability and recognized as contribution revenue only when the conditions are met.

Contract Balances - The timing of billings, cash collections, and revenue recognition result in contract assets and contract liabilities associated with revenue from exchange transactions. Contract assets consist entirely of trade accounts receivable, which are recognized only to the extent it is probable that AFF will collect substantially all of the

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

consideration to which AFF is entitled in exchange for the goods or services that will be or have been transferred. Contract liabilities consist entirely of deferred revenue that results when AFF receives advance payments from its customers before revenue is recognized. Balances in these accounts as of the beginning and end of the years ended December 31, 2022 and 2021 are as follows:

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Accounts receivable	<u>\$ 34,795</u>	<u>\$ 19,713</u>	<u>\$ 12,663</u>
Deferred revenue			
Deferred carbon credit revenue	\$ 7,090,321	\$ -	\$ -
Other	<u>10,640</u>	<u>6,333</u>	<u>11,996</u>
	<u>\$ 7,100,961</u>	<u>\$ 6,333</u>	<u>\$ 11,996</u>

Lease Policy - In its consolidated statements of financial position, AFF records a right-of-use asset and lease liability, initially measured at the present value of total lease payments using a risk-free rate that approximates the remaining term of the lease. AFF considers the likelihood of exercising renewal or termination clauses (if any) in measuring its right-of-use assets and lease liabilities. A single lease cost is calculated so that the cost of the lease is allocated over the lease term on straight-line basis. Short-term leases (those with an initial term of twelve months or less and no purchase option) are expensed over their terms, with no corresponding right-of-use asset or lease liability recorded. AFF does not separate non-lease components (if any) from lease components in determining the lease payments for leases of office equipment.

Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and fringe benefits are allocated based on employee time and effort studies. Common costs such as occupancy, depreciation and the like are allocated pro-rata based on total costs incurred.

New Accounting Pronouncements Adopted - During the year ended December 31, 2022, AFF adopted the provisions of Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The Update requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, apart from contributions of cash or other financial assets. The Update also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this Update did not have a significant impact on the consolidated financial statements, except for increased disclosure.



NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

During the year ended December 31, 2022, AFF also adopted the provisions of ASU 2016-02, *Leases* (Topic 842). This guidance is intended to increase transparency and comparability among lessees by recognizing lease assets and lease liabilities on the consolidated statements of financial position and disclosing key information about leasing arrangements. ASU 2016-02 requires lessees to report a right-of-use asset along with a lease liability.

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases* (Topic 842). The standard requires lessees to recognize the assets and liabilities that arise from leases in the consolidated statements of financial position. Additionally, in July 2018, the FASB issued ASU 2018-11, *Leases* (Topic 842) – *Targeted Improvements*, which, among other things, provides an additional transition method that would allow entities to not apply the guidance in ASU 2016-02 in the comparative periods presented in the consolidated financial statements and instead recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. AFF adopted ASU 2016-02 and its related amendments as of January 1, 2022, which resulted in the recognition of operating right-of-use assets totaling \$1,888,225, as well as operating lease liabilities totaling \$2,551,936. AFF elected to adopt the transition relief provisions from ASU 2018-11 and recorded the impact of adoption as of January 1, 2022, without restating any prior-year amounts or disclosures. The related policy elections made by AFF can be found in this Note 2 and the additional lease disclosures can be found in Note 11. There was no cumulative effect adjustment to the opening balance of net assets.

AFF elected to apply all practical expedients available under the ASU, allowing it to 1) not reassess whether any expired or existing contracts previously assessed as not containing leases are, or contain, leases; 2) not reassess the lease classification for any expired or existing leases; 3) not reassess initial direct costs for any existing leases; and 4) utilize the risk-free interest rate as the discount factor. AFF also elected to apply the practical expedient to use hindsight in determining the lease term which in the year of implementation AFF has determined to be the remaining lease term.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following table represents AFF's financial assets available to meet cash needs for general expenditures within one year of December 31, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Total assets at end of year	\$ 169,945,338	\$ 185,452,531
Less nonfinancial assets		
Prepaid expenses and deposits	(871,410)	(114,291)
Advances to grant partners	(8,351)	(113,123)
Right-of-use asset	(1,489,654)	-
Other assets	(201,385)	(36,385)
Net property and equipment	<u>(269,328)</u>	<u>(339,208)</u>
Total financial assets at end of year	167,105,210	184,849,524
Less amounts unavailable for general expenditures within one year		
Non-current contribution receivable	(51,579)	(6,000)
Restricted by donor with time or purpose restrictions	<u>(4,986,689)</u>	<u>(1,378,064)</u>
Total financial assets available for general expenditures within one year	<u>\$ 162,066,942</u>	<u>\$ 183,465,460</u>

As part of AFF's liquidity management, it has an investment policy with the objective of preserving the long-term, real purchasing power of assets while providing a relatively predictable and growing stream of annual distributions in support of AFF. The fund shall make use of a total return based spending policy; distributions will be funded from net investment income, net realized capital gains, and proceeds from the sale of assets. The annual spending target is 5.0% of the rolling 36-month average market value based upon the June 30th valuation.

NOTE 4. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable as of December 31, 2022 and 2021 are due as follows:

	<u>2022</u>	<u>2021</u>
Due in less than one year	\$ 4,420,913	\$ 2,591,262
Due in one to five years	<u>60,000</u>	<u>6,000</u>
	4,480,913	2,597,262
Less: discount to net present value	<u>(8,421)</u>	<u>-</u>
	<u>\$ 4,472,492</u>	<u>\$ 2,597,262</u>

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

At December 31, 2022 and 2021, investments consisted of the following:

	<u>2022</u>	<u>2021</u>
Cash	\$ 19,471,643	\$ 25,061,796
Mutual funds		
Fixed Income	30,419,853	25,259,010
Equity - Domestic	69,950,730	93,696,589
Equity - International	19,084,508	37,511,089
Hedge funds	14,620,856	-
Private equities	<u>739,572</u>	<u>294,972</u>
Total	<u>\$ 154,287,162</u>	<u>\$ 181,823,456</u>

Investment income for the years ended December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 3,832,273	\$ 2,678,544
Realized gains (losses)	(8,762,146)	54,758,418
Unrealized gains (losses)	(20,205,523)	(33,586,784)
Investment fees	<u>(395,836)</u>	<u>(119,248)</u>
	<u>\$ (25,531,232)</u>	<u>\$ 23,730,930</u>

Accounting standards provide the framework for measuring fair value which provides 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 (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that AFF has the ability to access.

Level 2 Inputs to the valuation methodology include other significant observable inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used for the years ended December 31, 2022 and 2021.

Cash and mutual funds: Valued at cost which approximates fair value.

Private equities: Valued at the fair values reported in the entities' audited financial statements and are based on their net asset value as of the last day of the year. AFF has invested in several private equity funds during the years ended December 31, 2022 and 2021. As of December 31, 2022 and 2021, the total committed capital was approximately \$1,347,000 and \$1,035,000, respectively. Total committed capital still outstanding was approximately \$681,000 and \$741,156, respectively. These investments are typically illiquid and not available for immediate redemption. The AFF has no intention of exiting these private equity investments.

Authoritative guidance on fair value measurements permits AFF to measure the fair value of investments in an investment entity that does not have a readily determinable fair value based upon the net asset value (NAV) per share or its equivalent of the investment. This guidance does not apply if it is probable that the investment will be sold at a value different than NAV.

Fair values of assets and liabilities measured on a recurring basis at December 31, 2022 are limited to investments. The following table sets forth AFF's assets at fair value as of December 31, 2022.

	Total Investments	Price for Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Cash	\$ 19,471,643	\$ 19,471,643	\$ -	\$ -
Mutual funds				
Fixed Income	30,419,853	30,419,853	-	-
Equity - Domestic	69,950,730	69,950,730	-	-
Equity - International	19,084,508	19,084,508	-	-
Hedge funds	<u>14,620,856</u>	<u>14,620,856</u>	<u>-</u>	<u>-</u>
	153,547,590	<u>\$ 153,547,590</u>	<u>\$ -</u>	<u>\$ -</u>
Investments measured at net asset value*	<u>739,572</u>			
Total	<u>\$ 154,287,162</u>			

*In accordance with ASC, investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair hierarchy.

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values of assets and liabilities measured on a recurring basis at December 31, 2021 are limited to investments. The following table sets forth AFF's assets at fair value as of December 31, 2021.

	2021			
	Total Investments	Quoted Market Price for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 25,061,796	\$ 25,061,796	\$ -	\$ -
Mutual funds				
Fixed Income	25,259,010	25,259,010	-	-
Equity - Domestic	93,696,589	93,696,589	-	-
Equity - International	<u>37,511,089</u>	<u>37,511,089</u>	-	-
	\$ 181,528,484	\$ 181,528,484	\$ -	\$ -
Investments measured at net asset value*	<u>294,972</u>			
	<u>\$ 181,823,456</u>			

*In accordance with ASC, investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair hierarchy.

AFF invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

NOTE 6. PROPERTY AND EQUIPMENT

At December 31, 2022 and 2021, property and equipment consisted of the following:

	2022	2021
Furniture, equipment and software	\$ 657,080	\$ 651,699
Leasehold improvements	<u>925,237</u>	<u>925,237</u>
	1,582,317	1,576,936
Accumulated depreciation and amortization	<u>(1,312,989)</u>	<u>(1,237,728)</u>
Net property and equipment	<u>\$ 269,328</u>	<u>\$ 339,208</u>



NOTE 7. GREEN BOND

On July 14, 2022, FFIF issued \$10 million in Green Bonds. The Series 2022A Bonds (the bonds or Green Bond) are structured with interest-only payments and a bullet principal payment at maturity in 2032. The bonds are unsecured general obligations of the FFIF guaranteed by AFF. The guaranty is an absolute and unconditional commitment to pay scheduled principal and interest on the bonds when due. The guaranteed payments are not subject to any setoff, counterclaim or defense and the agreement cannot be terminated while the bonds are outstanding.

Bond proceeds will be used to enroll private forest landowners within the Central Appalachians in the Family Forest Carbon Program, measure/monetize the amount of carbon sequestered and/or stored above a business-as-usual baseline, and then sell high-quality carbon credits in the voluntary carbon market to corporate and governmental entities looking to address their residual carbon emissions. Incentive payments will be made to participating landowners under 20-year agreements that will covenant the landowner or any future owner of that land during the life of the contract to continue with the carbon sequestration program.

The liability for the bonds as of December 31, 2022 was \$10,000,000. Interest is accruing on the bonds at 5.5% per annum. Total interest expense for the year ended December 31, 2022 was \$255,139. As of issuance, a bond discount was created for \$102,912, which is netted against the Green Bond liability. This discount is being amortized over the life of the bond. Total unamortized bond discount as of December 31, 2022 was \$98,121. The bond origination fees of \$325,645 were capitalized, which is netted against the Green Bond liability. Total unamortized bond origination costs as of December 31, 2022 were \$309,362. Total amortization of the bond discount and bond origination fees were \$21,074 for the year ended December 31, 2022.

On July 14, 2022, the FFIF entered into a Master Trust Indenture Agreement (MTI) with Wilmington Trust, National Association as the master trustee. The intent of the MTI is to keep the Series 2022A Bonds and other FFIF debt obligations on equal footing. As of December 31, 2022, Wilmington Trust is holding \$9,692,610 in bond proceeds on behalf of FFIF.

NOTE 8. CONTRIBUTED NONFINANCIAL ASSETS

AFF received land during the year ended December 31, 2022, a contributed nonfinancial asset. The land was recorded at the appraised value on the consolidated statements of financial position at date of contribution. There were no donor restrictions related to this nonfinancial asset.



NOTE 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with purpose donor restrictions as of December 31, 2022 and 2021 were subject to restrictions as follows:

	<u>2022</u>	<u>2021</u>
White Oak Initiative	\$ 775,251	\$ 351,540
Sustainable Forestry		
African American Land		
Retention	542,193	153,832
Fire Risk Reduction	85,259	-
Family First Carbon Program	3,427,707	323,767
Carbon	-	245,610
Other programs	<u>156,279</u>	<u>303,315</u>
	<u>\$ 4,986,689</u>	<u>\$ 1,378,064</u>

NOTE 10. RETIREMENT PLAN

AFF maintains a defined contribution retirement plan under IRC Section 401(k) that covers substantially all employees. Contributions are generally made at 7% of eligible compensation and covered employees are 50% vested in AFF contributions until completing three years of eligible service, after which vesting increases to 100%. AFF provides an employer match of 100% of the first 3% of employee deferrals and 50% of the next 2% of employee deferrals. Contributions to the plan were \$588,599 and \$495,123 in 2022 and 2021, respectively.

WoodsCamp contributes to Canada's public retirement system. The contribution rate for 2022 and 2021 was 4.95% and total contribution were \$29,303 and \$25,665, respectively.

NOTE 11. COMMITMENTS

On April 21, 2022, the FFIF entered into a loan agreement with The Nature Conservancy (TNC) and the David and Lucile Packard Foundation (Foundation). The agreement establishes terms and for FFIF to borrow funds of up to \$3.9 million for the purpose of enrolling landowners in the Family Forest Carbon Program in the Central Appalachians, up to \$2.2 million from the Foundation and up to \$1.7 million from TNC. AFF provided the Foundation with an absolute and unconditional commitment to pay scheduled principal and interest on its share of the loan in the event that FFIF is unable to meet its debt obligations. TNC's portion of the loan is unsecured. As of December 31, 2022, FFIF has not exercised its option to borrow funds under this agreement.

NOTE 11. COMMITMENTS (CONTINUED)

AFF entered into a lease agreement for office space that commenced on December 1, 2013 and expires July 31, 2026. The lease requires a security deposit of \$36,385 and provides for fixed, scheduled increases in the base rent of 2.5% per year, except for the sixth year of the agreement, for which the increase will be \$2.25 per square foot instead. Rent was also abated for the first eight months of the lease term. For 2021, the total rent payable over the lease term was recognized on a straight-line basis in the consolidated financial statements. In connection with AFF's occupancy of the new space, the landlord provided a tenant improvement allowance of \$801,832, of which AFF was able to apply up to \$200,458 toward the cost of wiring, cabling, furnishings, and move-related expenses.

During 2022, AFF adopted the new lease standards, see Note 2, which removed the liability for accrued rent expense and instead added a related right-of-use asset and lease liability to the consolidated statements of financial position. Operating lease expense totaled \$512,665 and \$505,598 for the years ended December 31, 2022 and 2021, respectively. AFF does not have any financing leases.

Supplemental qualitative information related to the operating lease are as follows:

Right-of-use asset obtained in exchange for lease obligation	\$1,888,225
Weighted-average remaining lease term (in years)	3.5 years
Weighted-average discount rate	1.37%

The maturity of the lease liability under AFF's operating lease as of December 31, 2022 is as follows:

Year Ending December 31,	2023	\$	563,454
	2024		577,540
	2025		591,979
	2026		<u>353,218</u>
Undiscounted Future Cash Flows		\$	2,086,191
Less: Effects of Discounting			<u>(52,241)</u>
Lease Liability Recognized		\$	<u>2,033,950</u>

The stock purchase agreement for the purchase of WoodsCamp included contingent payment commitments to the original Stakeholders. AFF paid the Stakeholders \$166,666 for each year the technology was rolled out to a new state in the United States in 2019, 2020, and 2021. Any payment not earned in a given year will be forfeited. Payments may be accelerated if a key persons' employment is terminated by AFF, AFF ceases to conduct business in its normal course, a change in control occurs, or AFF decides not to pursue further development and roll out of the technology. During 2019, 2020, and 2021, the conditions related to the contingent payments were met and \$166,666 was included in accounts payable and miscellaneous expenses as of December 31, 2021. The 2021 payment was made in 2022.



NOTE 12. CONCENTRATIONS

AFF maintains its cash in one financial institution in Washington D.C. Account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times during the year ended December 31, 2022, amounts on deposit exceeded FDIC insurance limit. Management believes this credit risk to be minimal at this time.

NOTE 13. SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 24, 2023, which is the date the consolidated financial statements were available to be issued. This review and evaluation revealed no material events or transactions which would require an adjustment to or disclosure in the accompanying consolidated financial statements.



SUPPLEMENTARY INFORMATION



AMERICAN FOREST FOUNDATION AND ITS SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION DECEMBER 31, 2022 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)

	AFF	WoodsCamp	FFIF	Eliminations	2022 Total	2021 Total
Assets						
Current assets						
Cash and cash equivalents	\$ 1,208,837	\$ 103,554	\$ 6,723,308	\$ -	\$ 8,035,699	\$ 313,289
Grants receivable	4,241,368	-	-	-	4,241,368	2,585,262
Contributions receivable	179,545	-	-	-	179,545	6,000
Accrued interest	244,093	-	30,969	-	275,062	95,804
Accounts receivable	23,000	88,287	-	(76,492)	34,795	19,713
Advances to grant partners	8,351	-	-	-	8,351	113,123
Due from (to) related parties	283,909	-	(283,909)	-	-	-
Prepaid expenses	1,048,482	-	203,386	(380,458)	871,410	114,291
Total current assets	7,237,585	191,841	6,673,754	(456,950)	13,646,230	3,247,482
Investments	143,893,255	-	9,661,641	732,266	154,287,162	181,823,456
Property and equipment, net	261,883	7,445	-	-	269,328	339,208
Right-of-use asset	1,489,654	-	-	-	1,489,654	-
Contributions receivable, net of current portion	51,579	-	-	-	51,579	6,000
Other assets	201,385	-	-	-	201,385	36,385
Total assets	<u>\$ 153,135,341</u>	<u>\$ 199,286</u>	<u>\$ 16,335,395</u>	<u>\$ 275,316</u>	<u>\$ 169,945,338</u>	<u>\$ 185,452,531</u>
Liabilities and Net Assets						
Current liabilities						
Accounts payable and accrued expenses	\$ 3,088,660	149,741	\$ 562,367	\$ (76,492)	\$ 3,724,276	\$ 1,722,254
Refundable advance	338,362	-	380,458	(380,458)	338,362	158,666
Debt payable	-	15,513	-	-	15,513	16,622
Deferred revenue	10,640	-	7,090,321	-	7,100,961	6,333
Lease liability	563,454	-	-	-	563,454	-
Deferred lease incentives	-	-	-	-	-	119,415
Total current liabilities	4,001,116	165,254	8,033,146	(456,950)	11,742,566	2,023,290
Long-term liabilities						
Long-term debt, net of current portion	-	84,789	-	-	84,789	123,973
Lease liability, net of current portion	1,470,496	-	-	-	1,470,496	-
Green bond liability	-	-	10,000,000	-	10,000,000	-
Less: unamortized discount and bond origination	-	-	(407,483)	-	(407,483)	-
Green bond liability, net	-	-	9,592,517	-	9,592,517	-
Deferred lease incentives, net of current portion	-	-	-	-	-	544,296
Total long-term liabilities	1,470,496	84,789	9,592,517	-	11,147,802	668,269
Total liabilities	5,471,612	250,043	17,625,663	(456,950)	22,890,368	2,691,559
Net assets						
Without donor restrictions	142,977,040	-	-	(908,759)	142,068,281	181,382,908
With donor restrictions	4,686,689	-	300,000	-	4,986,689	1,378,064
Total net assets	147,663,729	-	300,000	(908,759)	147,054,970	182,760,972
Stockholders' equity						
Common stock, \$1 par value	-	733	-	(733)	-	-
1,000,000 shares authorized and outstanding	-	733	-	(733)	-	-
Additional paid-in-capital	-	1,011,567	950,000	(1,961,567)	-	-
Retained earnings	-	(1,063,057)	(2,540,268)	3,603,325	-	-
Total stockholders' equity	-	(50,757)	(1,590,268)	1,641,025	-	-
Total liabilities and net assets	<u>\$ 153,135,341</u>	<u>\$ 199,286</u>	<u>\$ 16,335,395</u>	<u>\$ 275,316</u>	<u>\$ 169,945,338</u>	<u>\$ 185,452,531</u>

AMERICAN FOREST FOUNDATION AND ITS SUBSIDIARIES

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2021)

	2022					2021				
	Without Donor Restrictions					With Donor Restrictions				
	AFF	WoodsCamp	FFIF	Eliminations	Total	AFF	FFIF	Total	Total	Total
Support and revenue										
Contributions and non-federal grants	\$ 517,647	\$ -	\$ 2,941,544	\$ (2,841,233)	\$ 617,958	\$ 11,065,658	\$ 300,000	\$ 11,365,658	\$ 11,983,616	\$ 8,838,850
Contributions of nonfinancial assets	165,000	-	-	-	165,000	-	-	-	165,000	-
Federal grants and contracts	-	-	-	-	-	4,026,075	-	4,026,075	4,026,075	3,460,097
Investment income, net	(25,652,399)	-	121,167	-	(25,531,232)	-	-	-	(25,531,232)	23,730,930
Meetings and other revenue	2,202,257	1,410,643	735	(3,152,437)	461,198	-	-	-	461,198	267,414
Equity in net loss of WoodsCamp	-	-	-	-	-	-	-	-	-	-
Equity in net loss of FFIF	(1,594,006)	-	-	1,594,006	-	-	-	-	-	-
Net assets released from restrictions	12,257,804	-	(474,696)	-	11,783,108	(11,783,108)	-	(11,783,108)	-	-
Total support and revenue	<u>(12,103,697)</u>	<u>1,410,643</u>	<u>2,588,750</u>	<u>(4,399,664)</u>	<u>(12,503,968)</u>	<u>3,308,625</u>	<u>300,000</u>	<u>3,608,625</u>	<u>(8,895,343)</u>	<u>36,297,291</u>
Expenses										
Program services	23,352,472	1,410,643	4,160,957	(5,993,670)	22,930,402	-	-	-	22,930,402	18,840,349
Management and general	3,073,027	-	21,799	-	3,094,826	-	-	-	3,094,826	2,602,572
Fundraising	785,431	-	-	-	785,431	-	-	-	785,431	815,370
Total expenses	<u>27,210,930</u>	<u>1,410,643</u>	<u>4,182,756</u>	<u>(5,993,670)</u>	<u>26,810,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,810,659</u>	<u>22,258,291</u>
Change in net assets before income taxes and other losses	<u>(39,314,627)</u>	<u>-</u>	<u>(1,594,006)</u>	<u>1,594,006</u>	<u>(39,314,627)</u>	<u>3,308,625</u>	<u>300,000</u>	<u>3,608,625</u>	<u>(35,706,002)</u>	<u>14,039,000</u>
Provision for income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,972)</u>
Change in net assets/net income	<u>(39,314,627)</u>	<u>-</u>	<u>(1,594,006)</u>	<u>1,594,006</u>	<u>(39,314,627)</u>	<u>3,308,625</u>	<u>300,000</u>	<u>3,608,625</u>	<u>(35,706,002)</u>	<u>14,013,028</u>
Net assets/retained earnings										
Beginning of year	182,291,667	(1,062,324)	(946,262)	1,099,827	181,382,908	1,378,064	-	1,378,064	182,760,972	168,747,944
End of year	<u>\$ 142,977,040</u>	<u>\$ (1,062,324)</u>	<u>\$ (2,540,268)</u>	<u>\$ 2,693,833</u>	<u>\$ 142,068,281</u>	<u>\$ 4,686,689</u>	<u>\$ 300,000</u>	<u>\$ 4,986,689</u>	<u>\$ 147,054,970</u>	<u>\$ 182,760,972</u>

AMERICAN FOREST FOUNDATION AND ITS SUBSIDIARIES

CONSOLIDATING SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2021)

	Program Services				Management and General		Fundraising	Eliminations	2022 Total	2021 Total	
	Woodlands	WoodsCamp	FFIF	Eliminations	Total	AFF					FFIF
Salaries	\$ 6,427,969	\$ 1,168,760	\$ -	\$ -	\$ 7,596,729	\$ 1,450,592	\$ -	\$ 478,818	\$ -	\$ 9,526,139	\$ 7,038,795
Employee benefits and payroll taxes	1,619,586	132,025	7	-	1,751,618	439,587	-	112,626	-	2,303,831	1,624,174
Accounting	-	5,962	-	-	5,962	38,000	-	-	-	43,962	65,369
Consultants	4,182,613	-	2,395,437	(3,152,437)	3,425,613	692,951	-	28,588	-	4,147,152	4,546,447
Depreciation and amortization	64,034	-	-	-	64,034	7,512	-	2,065	-	73,611	83,728
Design/production	75,290	-	10,008	-	85,298	-	-	36,279	-	121,577	91,879
Grants	8,298,129	-	-	(2,841,233)	5,456,896	-	-	-	-	5,456,896	6,377,509
Information technology	619,349	35,118	305	-	654,772	210,304	-	52,495	-	917,571	511,456
Insurance	88,346	-	-	-	88,346	10,363	-	2,849	-	101,558	132,945
Interest	2,157	-	255,139	-	257,296	-	-	-	-	257,296	-
Landowner payments	380,531	-	1,130,602	-	1,511,133	-	-	-	-	1,511,133	-
Lease expense	431,895	16,182	-	-	448,077	50,662	-	13,926	-	512,665	505,598
Legal	37,825	-	32,225	-	70,050	62,460	-	14,011	-	146,521	95,639
Materials	76,802	-	-	-	76,802	-	-	-	-	76,802	109,370
Meetings	76,971	394	1,236	-	78,601	6,288	-	369	-	85,258	75,447
Miscellaneous	81,401	(12,126)	504	-	69,779	26,759	21,799	351	-	118,688	272,379
Office expense	47,519	4,815	2,058	-	54,392	2,073	-	2,208	-	58,673	138,053
Postage and shipping	14,825	-	167	-	14,992	5,105	-	7,891	-	27,988	19,476
Printing and publications	2,114	-	567	-	2,681	3,847	-	3,966	-	10,494	16,967
Promotion	415,826	45,236	273,883	-	734,945	-	-	600	-	735,545	365,088
Research/evaluation	-	-	-	-	-	-	-	-	-	-	795
Travel	409,290	14,277	58,819	-	482,386	66,524	-	28,389	-	577,299	187,177
Total expenses	\$ 23,352,472	\$ 1,410,643	\$ 4,160,957	\$ (5,993,670)	\$ 22,930,402	\$ 3,073,027	\$ 21,799	\$ 785,431	\$ -	\$ 26,810,659	\$ 22,258,291