

**NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**



**NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**New Hampshire Veterans Cemetery Association, Inc.**

### ***Opinion***

We have audited the financial statements of New Hampshire Veterans Cemetery Association, Inc., which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 New Hampshire Veterans Cemetery Association, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Hampshire Veterans Cemetery Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 New Hampshire Veterans Cemetery Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## ***Auditors' 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 auditors' 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 New Hampshire Veterans Cemetery Association, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about New Hampshire Veterans Cemetery Association, Inc.'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 Summarized Comparative Information**

The financial statements of New Hampshire Veterans Cemetery Association, Inc. as of and for the year ended December 31, 2022 were audited by Melanson, whose report dated June 2, 2023 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Marcum LLP*

Merrimack, NH  
August 5, 2024

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## STATEMENT OF FINANCIAL POSITION

**DECEMBER 31, 2023**

*(with comparative totals as of December 31, 2022)*

	2023			
	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 362,070	\$ 141,179	\$ 503,249	\$ 478,134
Other assets	864	--	864	4,824
<b>Total Current Assets</b>	<u>362,934</u>	<u>141,179</u>	<u>504,113</u>	<u>482,958</u>
<b>Noncurrent Assets</b>				
Investments	681,314	--	681,314	605,574
Property and equipment, net	<u>152,274</u>	<u>--</u>	<u>152,274</u>	<u>219,689</u>
<b>Total Noncurrent Assets</b>	<u>833,588</u>	<u>--</u>	<u>833,588</u>	<u>825,263</u>
<b>Total Assets</b>	<u>\$ 1,196,522</u>	<u>\$ 141,179</u>	<u>\$ 1,337,701</u>	<u>\$ 1,308,221</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 1,616	\$ --	\$ 1,616	\$ 1,038
Accrued payroll and related liabilities	685	--	685	--
Contract liabilities	<u>11,500</u>	<u>--</u>	<u>11,500</u>	<u>6,700</u>
<b>Total Current Liabilities</b>	<u>13,801</u>	<u>--</u>	<u>13,801</u>	<u>7,738</u>
<b>Net Assets</b>				
Without donor restrictions:				
Undesignated	598,386	--	598,386	578,587
Board-designated	584,335	--	584,335	561,481
With donor restrictions:				
Purpose restrictions	<u>--</u>	<u>141,179</u>	<u>141,179</u>	<u>160,415</u>
<b>Total Net Assets</b>	<u>1,182,721</u>	<u>141,179</u>	<u>1,323,900</u>	<u>1,300,483</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 1,196,522</u>	<u>\$ 141,179</u>	<u>\$ 1,337,701</u>	<u>\$ 1,308,221</u>

*The accompanying notes are an integral part of these financial statements.*

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## STATEMENT OF ACTIVITIES

**FOR THE YEAR ENDED DECEMBER 31, 2023**

*(with summarized comparative totals for the year ended December 31, 2022)*

	2023			
	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
<b>Support, Revenue, and Other</b>				
Support:				
Contributions	\$ 43,914	\$ 6,180	\$ 50,094	\$ 66,501
In-kind contributions	8,491	--	8,491	10,082
Revenue:				
Memorials	25,250	--	25,250	22,776
Other:				
Investment income (loss), net	109,325	--	109,325	(127,061)
Net assets released from restrictions	25,416	(25,416)	--	--
<b>Total Support, Revenue, and Other</b>	<u>212,396</u>	<u>(19,236)</u>	<u>193,160</u>	<u>(27,702)</u>
<b>Expenses</b>				
Program Services:				
Veterans Heritage Learning Center	92,906	--	92,906	92,719
Cemetery	52,320	--	52,320	59,768
Total Program Services	<u>145,226</u>	<u>--</u>	<u>145,226</u>	<u>152,487</u>
Supporting Services:				
Management and general	20,120	--	20,120	14,883
Fundraising and development	4,397	--	4,397	2,218
Total Supporting Services	<u>24,517</u>	<u>--</u>	<u>24,517</u>	<u>17,101</u>
<b>Total Expenses</b>	<u>169,743</u>	<u>--</u>	<u>169,743</u>	<u>169,588</u>
<b>Change in Net Assets</b>	42,653	(19,236)	23,417	(197,290)
<b>Net Assets, Beginning of Year</b>	<u>1,140,068</u>	<u>160,415</u>	<u>1,300,483</u>	<u>1,497,773</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,182,721</u>	<u>\$ 141,179</u>	<u>\$ 1,323,900</u>	<u>\$ 1,300,483</u>

*The accompanying notes are an integral part of these financial statements.*

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## STATEMENT OF FUNCTIONAL EXPENSES

**FOR THE YEAR ENDED DECEMBER 31, 2023**

*(with summarized comparative totals for the year ended December 31, 2022)*

	2023							
	Program Services			Supporting Services				
	Veterans Heritage Learning Center	Cemetery	Program Services Total	Management and General	Fundraising and Development	2023 Total	2022 Total	
Personnel Expense:								
Salaries and wages	\$ 3,802	\$ --	\$ 3,802	\$ 3,405	\$ 1,745	\$ 8,952	\$ --	
Payroll taxes	365	--	365	360	166	891	--	
Accounting	--	--	--	11,000	--	11,000	10,500	
Advertising	17	--	17	--	849	866	13,195	
Depreciation	73,615	--	73,615	--	--	73,615	72,729	
Donations (Note 10)	--	52,123	52,123	--	--	52,123	53,521	
Equipment	638	--	638	--	--	638	1,631	
Information technology	5,322	--	5,322	942	--	6,264	6,312	
Insurance	4,955	--	4,955	1,110	--	6,065	4,469	
Miscellaneous	2,711	--	2,711	1,838	280	4,829	3,693	
Office expenses	144	197	341	1,465	1,357	3,163	3,538	
Other professional fees	<u>1,337</u>	<u>--</u>	<u>1,337</u>	<u>--</u>	<u>--</u>	<u>1,337</u>	<u>--</u>	
Total	<u>\$ 92,906</u>	<u>\$ 52,320</u>	<u>\$ 145,226</u>	<u>\$ 20,120</u>	<u>\$ 4,397</u>	<u>\$ 169,743</u>	<u>\$ 169,588</u>	

*The accompanying notes are an integral part of these financial statements.*

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

*(with comparative totals for the year ended December 31, 2022)*

	2023	2022
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 23,417	\$ (197,290)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	73,615	72,729
Realized gain on investments	(8,098)	(12,346)
Unrealized (gain) loss on investments	(69,779)	152,867
Changes in operating assets and liabilities:		
Other assets	3,960	(3,960)
Accounts payable	578	(7,590)
Accrued payroll and related liabilities	685	--
Contract liabilities	4,800	250
<b>Net Cash Provided by Operating Activities</b>	<u>29,178</u>	<u>4,660</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of depreciable assets	(6,200)	(74,436)
Proceeds from sale of investments	57,093	123,476
Purchase of investments	<u>(54,956)</u>	<u>(144,043)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(4,063)</u>	<u>(95,003)</u>
<b>Net Change in Cash and Cash Equivalents</b>	25,115	(90,343)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>478,134</u>	<u>568,477</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 503,249</u>	<u>\$ 478,134</u>

*The accompanying notes are an integral part of these financial statements.*



# **NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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### **NOTE 1 – ORGANIZATION**

New Hampshire Veterans Cemetery Association, Inc. (NHVCA) is a nonprofit corporation organized for assisting the New Hampshire State Veterans Cemetery staff in providing and maintaining a dignified resting place to honor veterans and eligible dependents which expresses the State's gratitude for their service to the country. The New Hampshire State Veterans Cemetery expresses peace through natural beauty and is a source of pride to veteran's families and residents of New Hampshire.

NHVCA also enhances public awareness and appreciation of the values of veterans and their service through outreach, publications, ceremonial events, and the Veterans Heritage Learning Center.

### **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies used in preparing and presenting the accompanying financial statements.

#### ***BASIS OF FINANCIAL STATEMENT PRESENTATION***

The financial statements of NHVCA have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### ***COMPARATIVE FINANCIAL INFORMATION***

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended December 31, 2022, from which the summarized information was derived.

#### ***CASH AND CASH EQUIVALENTS***

All cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2023

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#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *INVESTMENTS*

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair value in the Statement of Financial Position. Net investment return/(loss) is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized gains and losses, less external investment expenses.

##### *PROPERTY AND EQUIPMENT, NET*

Property and equipment additions over \$2,000 are recorded at cost, if purchased, and at fair value at the date of donation, if donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 50 years. When assets are sold or otherwise disposed of, the cost and related depreciation is removed, and any resulting gain or loss is included in the Statement of Activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment in 2023 and 2022.

##### *NET ASSETS*

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

##### *Net Assets Without Donor Restrictions*

Net assets without donor restrictions are net assets available for use in general operations and not subject to donor-imposed restrictions. The Board has designated, from net assets without donor restrictions, net assets for the purpose of sustaining operations and to promote public and donor confidence in the long-term sustainability of NHVCA. In addition, an endowment has been designated by the Board from net assets without donor restrictions.

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *NET ASSETS (CONTINUED)*

##### *Net Assets With Donor Restrictions*

Net assets with donor restrictions are net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. NHVCA recognizes revenue from contributions and grants that were initially conditional, which became unconditional with restrictions during the reporting period, and for which those restrictions were met during the reporting period, as net assets without donor restrictions.

#### **REVENUE RECOGNITION**

NHVCA 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 of return – are not recognized until the conditions on which they depend have been met.

Memorials revenue from engraving services for benches, pavers and bricks, as well as memorial signage, is recognized when the performance obligations of transferring the memorial items to the State Veterans Cemetery (i.e., providing the services) are met. Upon receipt of a prepayment, NHVCA recognizes a contract liability in the amount of the prepayment for its performance obligation to provide services in the future. Due to the nature and timing of the performance and/or transfer of services, certain contract liabilities at December 31 of each year are recognized in the following year.

#### **DONATED SERVICES AND IN-KIND DONATIONS**

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets, or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated professional services are recorded at the respective fair value of the services received.

Contributed goods are recorded at fair value at the date of donation and as expenses when placed in service or distributed.

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *ADVERTISING COSTS*

Advertising costs are expensed as incurred and are reported in the Statement of Activities and Statement of Functional Expenses.

#### *FUNCTIONAL ALLOCATION OF EXPENSES*

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Certain categories of expenses are attributed to more than one program or supporting function. In 2023 and 2022, all expenses were directly charged to the functional categories.

#### *INCOME TAXES*

NHVCA has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for charitable contribution deductions, and has been determined not to be a private foundation. NHVCA is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, NHVCA is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose.

NHVCA accounts for uncertain tax provisions under FASB ASC 740, *Income Taxes*, which provides a framework for how entities should recognize, measure, present, and disclose uncertain tax positions in their financial statements. NHVCA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. Management has reviewed NHVCA's reporting and believes they have not taken tax positions that are more likely than not to be determined to be incorrect by the IRS and, therefore, no adjustments or disclosures are required. NHVCA is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods pending or in progress.

#### *ESTIMATES*

The preparation of financial statements in conformity with GAAP 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, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *FINANCIAL INSTRUMENTS AND CREDIT RISK*

Deposit concentration risk is managed by placing cash and money market accounts with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, no losses have been experienced in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by the Finance Committee of the Board of Directors. Although the fair value of investments are subject to fluctuation on a year-to-year basis, the Finance Committee believes that investment policies and guidelines are provided for the long-term welfare of NHVCA.

#### *FAIR VALUE MEASUREMENTS AND DISCLOSURES*

Certain assets and liabilities are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset or liability within the hierarchy is based upon the pricing transparency of the asset or liability and does not necessarily correspond to the assessment of the quality, risk, or liquidity profile of the asset or liability.

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2023

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#### NOTE 3 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statement of Financial Position, were comprised of the following at December 31, 2023 and 2022:

	2023	2022
Financial assets at year end:		
Cash and cash equivalents	\$ 503,249	\$ 478,134
Investments	681,314	605,574
Total financial assets	<u>1,184,563</u>	<u>1,083,708</u>
Less amounts not available to be used within one year:		
Board-designated liquidity reserve	(122,257)	(149,408)
Board-designated capital reserve	(60,000)	(60,000)
Board-designated endowment	(402,078)	(352,073)
Net assets with donor restrictions (purpose)	<u>(141,179)</u>	<u>(160,415)</u>
Total amounts not available to be used within one year	<u>(725,514)</u>	<u>(721,896)</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 459,049</u>	<u>\$ 361,812</u>

NHVCA regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next year, NHVCA operates with a budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

In addition, Board-designated net assets are available in accordance with NHVCA's spending policy. Although there is no intention to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2023

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#### NOTE 4 - INVESTMENTS

Investments, measured at fair value on a recurring basis and categorized in the fair value hierarchy as Level 1, consisted of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Stock funds	\$ 414,083	\$ 370,016
Bond funds	<u>267,231</u>	<u>235,558</u>
	<u>\$ 681,314</u>	<u>\$ 605,574</u>

Unrealized gains and (losses) on equity securities recognized during 2023 and 2022 totaled \$69,779 and \$(152,867), respectively.

#### NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment, net was comprised of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
VHLC exhibits	\$ 429,962	\$ 429,962
VHLC equipment	<u>39,183</u>	<u>32,983</u>
Subtotal	469,145	462,945
Less accumulated depreciation	<u>(316,871)</u>	<u>(243,256)</u>
	<u>\$ 152,274</u>	<u>\$ 219,689</u>

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2023

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#### NOTE 6 - CONTRACT LIABILITIES

Upon receipt of a prepayment for goods and services, NHVCA recognizes a contract liability in the amount of the prepayment for its performance obligations to transfer goods and services in the future. NHVCA's contract liabilities relate to memorial purchases and will be recognized as revenue when NHVCA transfers the goods and services and, therefore, satisfies its performance obligations. Contract liabilities, including beginning balances, were as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Balance, January 1	\$ 6,700	\$ 6,450
Activity, net	<u>4,800</u>	<u>250</u>
Balance, December 31	<u>\$ 11,500</u>	<u>\$ 6,700</u>

#### NOTE 7 - ENDOWMENT

NHVCA's endowment policy is guided by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and applicable laws of the State of New Hampshire to which NHVCA's funds are subject. NHVCA's Finance Committee is responsible for the management of the invested funds, for making investment allocations, and for adherence to its spending policy.

##### ***TYPES OF FUNDS - BOARD-DESIGNATED***

These are funds with no donor restrictions but which have been designated by the Board of Directors for the endowment. They are subject to the investment and spending policy below, but are classified as net assets without donor restrictions. A super majority vote of 2/3 of the Board of Directors is required to invade principal of these funds.

##### ***INVESTMENT AND SPENDING POLICIES***

Investment and spending policies have been adopted for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments.



# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2023

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#### NOTE 7 - ENDOWMENT (CONTINUED)

##### *INVESTMENT AND SPENDING POLICIES (CONTINUED)*

Beginning on January 1 of each calendar year, NHVCA may, but is not required to, distribute annually a sum equal to not more than 5% of the average market value of the endowment fund for the twelve previous quarters through (and ending on) December 31 of the prior calendar year. The amount of the permitted distribution with respect to each calendar year shall be approved by the Board. It is the responsibility of the Board to periodically review the spending policy against actual returns in order to make adjustments necessary for the preservation of principal. Any income (including, but not limited to, interest, dividends, and realized capital gains) not distributed will convert to principal.

Redemptions or distributions from the endowment beyond the spending policy described above are not permitted, except in extraordinary circumstances. Such extraordinary expenditures will require an affirmative vote of two-thirds of the members of the Board of Directors.

Changes in Board-designated endowment net assets for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Board-designated endowment net assets, beginning	\$ 352,073	\$ 427,267
Investment income (loss), net	<u>50,005</u>	<u>(75,194)</u>
Board-designated endowment net assets, ending	<u>\$ 402,078</u>	<u>\$ 352,073</u>

#### NOTE 8 - NET ASSETS

##### *BOARD-DESIGNATED NET ASSETS*

Net assets without donor restrictions include Board-designated net assets which may be accessed only with prior approval of the Board. Board-designated net assets at December 31, 2023 and 2022 were designated for the following purposes:

	2023	2022
Liquidity reserve	\$ 122,257	\$ 149,408
Capital reserve	60,000	60,000
Endowment	<u>402,078</u>	<u>352,073</u>
	<u>\$ 584,335</u>	<u>\$ 561,481</u>

# NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED DECEMBER 31, 2023

#### NOTE 8 - NET ASSETS (CONTINUED)

##### *NET ASSETS WITH DONOR RESTRICTIONS*

Net assets with donor restrictions were comprised of the following at December 31, 2023 and 2022:

	2023	2022
Subject to expenditure for specified purpose:		
Veterans Heritage Learning Center	\$ 108,249	\$ 132,982
Cemetery	32,930	27,433
	<u>\$ 141,179</u>	<u>\$ 160,415</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31, 2023 and 2022:

	2023	2022
Satisfaction of purpose restrictions:		
Cemetery maintenance	\$ --	\$ 700
Cemetery monuments	7	--
Veterans Heritage Learning Center	25,409	67,321
	<u>\$ 25,416</u>	<u>\$ 68,021</u>

#### NOTE 9 - CONTRIBUTED NONFINANCIAL ASSETS

NHVCA received contributed nonfinancial assets in the amount of \$8,491 and \$10,082 for the years ended December 31, 2023 and 2022, respectively. The contributed nonfinancial assets in 2023 related to \$4,000 in landscaping services, \$4,000 in landscaping materials, and \$491 in promotional materials. The contributed nonfinancial assets in 2022 related to the donation of \$10,000 in lawn care equipment which was ultimately gifted by NHVCA to the State for maintenance of the State Veterans' cemetery and \$82 in stamps utilized in fundraising activities. NHVCA valued the nonfinancial assets at the estimated fair market value of similar items considering the goods' conditions at the time of contribution. There were no associated donor restrictions.

# **NEW HAMPSHIRE VETERANS CEMETERY ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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### **NOTE 10 - DONATIONS TO THE NEW HAMPSHIRE STATE VETERANS' CEMETERY**

NHVCA works in collaboration with the Department of Military Affairs and Veterans Services and Cemetery Director to consider requests to purchase items such as monuments, memorials, landscaping materials, contracted services and equipment for the New Hampshire State Veterans' Cemetery which cannot be provided by the State.

### **NOTE 11 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through August 5, 2024, the date the financial statements were available to be issued.