

2/10/09
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Massachusetts Chapter of The American Chestnut Foundation, Corp.

Balance Sheets

December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Current Assets		
Checking Account – Fleet Bank	6,863.15	4,414.78
Savings Account – Fleet Bank	<u>14,408.32</u>	<u>17,360.88</u>
Total Current Assets	21,271.47	21,775.66
Property and Equipment, at cost (note 2)		
Computer hardware and software	0.00	0.00
Educational Equipment	0.00	0.00
Orchard Equipment	0.00	0.00
Chestnut Inventory	0.00	0.00
Pollination Equipment	0.00	0.00
Seedling Equipment	<u>0.00</u>	<u>0.00</u>
Total Property and Equipment	<u>0.00</u>	<u>0.00</u>
Total Assets	21,271.47	21,775.66
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts Payable	0.00	0.00
Accrued Expenses	<u>0.00</u>	<u>0.00</u>
Total Current Liabilities	0.00	0.00
Long Term Debt	<u>0.00</u>	<u>0.00</u>
Total Liabilities	0.00	0.00
Fund Balances		
Unrestricted	21,271.47	21,775.66
Restricted (note 3)	<u>0.00</u>	<u>0.00</u>
Total Fund Balances	<u>21,271.47</u>	<u>21,775.66</u>
Total Liabilities and Fund Balances	21,271.47	21,775.66

Massachusetts Chapter of The American Chestnut Foundation, Corp.

Operating Statements

2008 and 2007

	<u>2008</u>	<u>2007</u>
SUPPORT AND REVENUE		
Membership Dues (note 1)	5,265.00	4,335.00
Contributions and grants (note 3)	2,370.00	1,995.00
Special Donation (note 3)	0.00	5,000.00
Speaking fees	165.00	0.00
Interest on Bank Accounts	47.44	34.25
Insurance Recovery (note 4)	0.00	497.93
Sales	<u>0.10</u>	<u>0.00</u>
Total Support and Revenue	7,847.54	11,862.18
EXPENSES		
General Management		
Bank Charges	0.00	0.00
Licenses and Fees	61.00	35.00
Office Supplies	0.00	27.94
Postage	175.00	160.00
Website maintenance	356.25	325.00
Professional Services	0.00	0.00
Travel	807.79	0.00
Newsletter	617.81	634.05
Annual Meeting	910.46	435.00
Orchards		
Signage	0.00	75.35
Consumable Supplies	4,208.24	3,443.19
Inoculation and evaluation	0.00	40.46
Irrigation	<u>1,215.18</u>	<u>0.00</u>
Total Expenses	8,351.73	5,175.99
Excess (Deficiency) of Support and Revenue over Expenses	(504.19)	6,686.19
Fund Balances, beginning of year	<u>21,775.66</u>	<u>21,982.85</u>
Fund Balances, end of year	21,271.47	21,775.66

Massachusetts Chapter of The American Chestnut Foundation, Corp.

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Massachusetts Chapter of The American Chestnut Foundation, Corp. (“the Chapter”) was incorporated on January 25, 2001 to assist in the work of The American Chestnut Foundation in bringing about a revival and renewal of the American chestnut tree as a prominent part of the forests of the United States.

Tax Status

The Chapter is organized exclusively to promote charitable, educational and scientific purposes. It received permanent 501(c)(3) status on May 10, 2006.

Because the Chapter’s annual receipts normally are less than \$25,000 annually, the Chapter does not file Form 990 with the Federal Government. The Chapter does file Form PC annually with the Commonwealth of Massachusetts.

Support

The Chapter is supported primarily by a portion of the dues of residents of Massachusetts and Rhode Island for membership in the American Chestnut Foundation, which collects the dues and remits the applicable portion of the dues to the Chapter.

From time to time, the Chapter also receives direct contributions and grants for use in the Chapter’s activities. (See note 3)

Operations

The Chapter recruits and supports volunteers who cross-pollinate American and Chinese chestnuts, harvest the hybrid nuts, and plant, maintain and inoculate orchards of hybrid chestnuts, using orchard supplies provided by the Chapter. The Chapter does not own the land on which the orchards are located, and depends upon the continuing goodwill and cooperation of the volunteers.

Method of Accounting

These financial statements have been prepared on the cash basis.

2. DEPRECIATION OF INVENTORY AND EQUIPMENT

Through 2006, the Chapter did not have a depreciation policy. Equipment and inventory purchased by the Chapter was carried on the Chapter’s books at cost with no depreciation and no adjustment as inventory or equipment was used up or worn out.

During 2007, the Chapter evaluated its equipment and inventory and determined that it had nothing with any marketable value. Accordingly, the previously-carried assets were written off.

Going forward, the Chapter has determined that any single item with a purchase price of less than \$500.00 will be expensed in the year of purchase. Any single item with a purchase price of \$500 or more will be assumed to have a useful life of three years, beginning with the year of purchase without regard for the month of purchase.

The Chapter purchases orchard equipment such as irrigation tubing, which is installed in orchards that are not owned by the Chapter. The salvage value of such equipment after installation is immaterial, and is not included as an asset.

The Chapter purchases orchard supplies such as fertilizer for use in chestnut orchards. Those supplies are generally consumed in the year of purchase. Any amounts not consumed in the year of purchase are immaterial, and are not included as an asset.

3. RESTRICTED FUNDS

On occasion, the Chapter may receive contributions or grants for a specific purpose. If the actual expenses of the Chapter for that purpose equal or exceed the amount of the contribution or grant during the year in which the grant is received, the Chapter considers that the contribution or grant has been fully disbursed, although on occasion the expenses may have been paid initially from the Chapter's other funds, before the contribution or grant was actually received by the Chapter. Unless requested by the granting-making body, no separate accounting will be maintained for the expenses paid or reimbursed from such grants.

During 2007, the Chapter received, through the American Chestnut Foundation, a donation of \$5,000 from Frank Howard. The gift was not restricted, but the impetus for the donation was to provide funding for inoculation of maturing orchards. While there is no formal restriction, the Chapter intends to use the gift for that purpose.

4. FIRE LOSS

During 2006, there was a fire in the home of the Treasurer of the Chapter, which destroyed a computer and related equipment. The lost items had been carried at original cost without any depreciation. See Note 2. During 2007, the Chapter received a fire loss settlement of \$497.93.