



2024 ANNUAL REPORT

PLANTING AT THE SPEED OF A CHANGING WORLD

SMALL BUT MIGHTY

Longleaf forests in the American Southwest are in dire need of restoration. These small, grass-like seedlings will grow into towering longleaf pines — ecosystem workhorses for the region.



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We are bold enough to believe
a better world is possible for all of us.
And by planting together, we make it a reality.

DEAR MEMBERS AND FRIENDS,

As we step into a new year, it's reassuring to look back on the previous 12 months and see all the great things we have accomplished together as we work toward planting 500 million trees by 2027. It was a year for fostering innovation, for building greater connections, and for leading the charge to plant trees at the speed of a changing world.

You'll see all the standout moments from this past year reflected in the following pages. We continued to invest in the technology that helps us identify planting areas of greatest need. We worked with the UN Food and Agriculture Organization to bring together more than 1,000 urban forestry leaders from around the globe for the 2nd World Forum on Urban Forests. We launched the first annual Canopy Report, an in-depth look into how Americans see trees. And we planted trees by the millions in forests and communities where they are needed most.

All of this was possible because members and supporters like you were brave enough to stand up and do your part for a greener tomorrow.

A better future is calling. One with a thriving neighborhood canopy and vibrant forest ecosystems. One that we can be proud to leave as a legacy for generations to come. And it takes all of us to get there. When we each choose action over apathy, we have the power to plant trees at a scale that can change the world.

Thank you for standing with us and helping us put hope in motion.

With deepest gratitude,



Dan Lambe
Chief Executive



DEAR MEMBERS AND FRIENDS,

More than four decades of employment with the USDA Forest Service instilled in me not only a passion for trees but also a distinct understanding of the important role the Arbor Day Foundation plays in engaging people everywhere in caring for our forests. As I settle into my new position as the Board of Trustees chair, I am excited to have a front row seat to all the amazing work this organization is doing around the globe.

It is thrilling to watch new momentum take root. Every member of the Arbor Day Foundation team is invested in the Foundation's bold belief that a better world is possible through trees — that their actions today will lead to better days ahead.

And I can see the idea continuing to spread.

One place I saw this belief reflected was in the 2024 Canopy Report. Especially encouraging was the fact that nine in 10 people (89%) agree that “trees are not a nice-to-have; they’re a necessity.” As a lifelong learner, I have enjoyed gaining new insights about how fellow Americans view trees and how much they value the work of the Arbor Day Foundation.¹

Another standout moment for me this year was the launch of a program leveraging funding from the Inflation Reduction Act to empower Tribal Governments and local organizations as they lead urban forestry projects in their own communities — a wonderful way to create lasting change.

It's no small thing to be optimistic about the future, and we are glad you have joined us in believing that trees make a positive difference to our lives and to the natural world we depend on to thrive.

Thank you for believing. None of this would be possible without you.

Sincerely,



Leslie A.C. Weldon
Leslie A.C. Weldon, Chair
Board of Trustees

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87%

of Americans believe planting trees helps fight climate change.

This was one of the many findings in the 2024 Canopy Report. You'll find other insights throughout the following pages.

➔ Learn more about this report on **page 31**.





PLANTING TREES WHERE THEY'RE NEEDED MOST

WORKING WITH GREATER PURPOSE



The world needs more trees. We currently lose 24 million acres of forest annually – an area the size of Indiana. And while all trees give back no matter where you plant them, the most impact comes with a focus on where the need is greatest.

Building a meaningful understanding of where the need for trees is greatest requires decades of experience. It also takes a combination of science, technology, and a world-class network of on-the-ground tree planting partners all working together to ensure the right trees are planted in the right places for the right reasons.

That's why no one is better positioned to do this critical work than the Arbor Day Foundation. We believe trees bring people together to do great things, and we can connect supporters and tree planters in our vast network to activate a wide range of impactful work.

The trees we plant today are shaping our tomorrow. They are creating healthy urban and natural forests that will filter the air we breathe, clean waterways, fight climate change, cool neighborhoods, and ensure vibrant forest ecosystems for generations to come.



A SCIENCE-BASED APPROACH TO OUR WORK

NATURE AND TECHNOLOGY, COMBINED

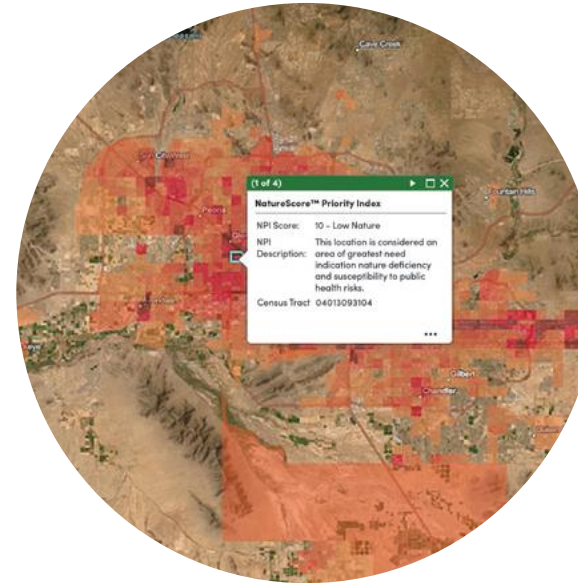
We are planting trees at the speed of a changing world – taking on the challenges created by yesterday and today for the promise of a better tomorrow. And that puts us in a unique position to create significant change for the planet. It’s a responsibility we take very seriously.

To make sure our efforts have the greatest impact, we must plant trees where they are needed most. That starts with using as much science, data, and mapping resources as we can to identify where tree planting will do the most good.

In forests, we use our custom-built Forest Priority Index to focus our planting efforts. Think of it as a formula that shows where trees can provide the most benefit. This formula is powered by GIS – a technology that helps us understand the world by mapping data – and looks at multiple layers, including biodiversity preservation data, climate change mitigation data, forest integrity measurements, and Indigenous and community lands relationship data. The index helps us be as intentional as possible in planting the right trees in the right places.

Communities require a different approach. Through our partnership with NatureQuant, we can access public data, satellite imagery, and image recognition software to determine which neighborhoods don’t have enough trees. That information is layered on top of socioeconomic data to assign a NatureScore Priority Index rating on a scale of 0–10, with 10 being the highest priority. This approach can help the Foundation determine which neighborhoods around the country need trees the most – communities that are both nature-deprived and facing other socioeconomic disadvantages such as lower income, education, employment, or housing shortages.

By incorporating science, we’re able to connect with the right partners on the ground to plant with greater intention and impact.



How It Works THE FOREST PRIORITY INDEX

Our Forest Priority Index (FPI) leverages GIS software to measure a blend of four layered datasets to generate an FPI score from 0 (low priority) to 10 (high priority). FPI values between 6 and 10 are considered areas of greatest need, and that is where we focus most of our reforestation efforts.

Biodiversity:
This dataset identifies areas of the world that are most impactful from a biodiversity preservation perspective when performing ecosystem restoration work.

Mitigation of Climate Change:
The focus here is on identifying areas of the world that are most impactful from a climate change mitigation perspective when performing ecosystem restoration work.

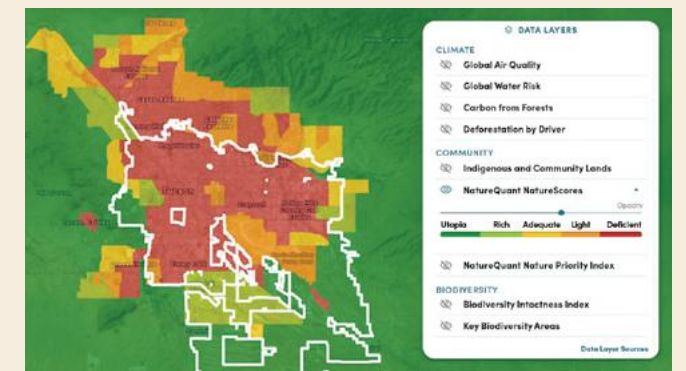
Forest Integrity:
The forest landscape integrity index helps us identify forests that are low/medium integrity, where performing reforestation activities will provide great benefits from an ecosystem services perspective.

Indigenous and Community Lands:
This final dataset identifies those lands with a relationship to Indigenous or community lands.

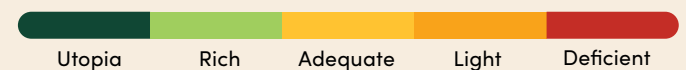
How It Works THE NATURESCORE® PRIORITY INDEX

The NatureScore Priority Index, or NPI, helps us identify the neighborhoods in greatest need of trees. A custom GIS tool layers NatureQuant’s NatureScore with the income, education, employment, and housing quality factors of the Area Deprivation Index to create a multifaceted look at the challenges facing a particular community. From there, a single NPI score from 1 (low priority) to 10 (high priority) is assigned by census tract.

People living in neighborhoods with high NPI scores are more likely to be facing poor health, urban heat islands, poor air quality, and low income while also being less likely to experience the many critical benefits trees and green spaces can provide.



NatureQuant’s NatureScore



CULTIVATING A WORLDWIDE NETWORK OF TREE PLANTERS

CONNECTION CREATES ACTION

With science telling us where to plant, we still need reliable partners ready to activate around the world. Maps and data alone are not enough. That's why we've been building a network of partners, members, and supporters for more than 50 years — each with a role to play in shaping the future.

Decades of experience have helped us to develop a rigor in fostering this network — building lasting relationships with best-in-class partners.

Our comprehensive list of partnerships also means that we are working with the people who know these areas best. They know where trees are needed most, and they can make sure donor support is creating layers of impact locally and globally. And our continuous support means they can plan for the long term, ensuring the greatest tree planting impact over time.

This year, we worked with 54 reforestation partners on six continents, all dedicated to our bold belief in a better future. These partners include the USDA Forest Service and many state forest services. Knowing that forest ecosystems don't follow property lines, we've also intentionally built a network of connections to ensure we have access to plant on both public and private lands, depending on the need at hand.

In communities, we worked with 212 community-based partners dedicated to planting where trees are needed most — a number that has continued to grow year after year. These partners know their communities, and they know where trees can provide the greatest benefits. They are able to plant trees in parks, along city streets, and even in the yards of homeowners. They are also on the front lines of critical efforts to engage with and listen to historically underserved neighborhoods to support their tree planting efforts in meaningful ways.

And our vast network of nearly 1 million members and supporters were hard at work planting trees in their yards, creating change in their own corner of the world.



212

Community Tree
Planting Partners
in 28 Countries



54

Reforestation
Partners



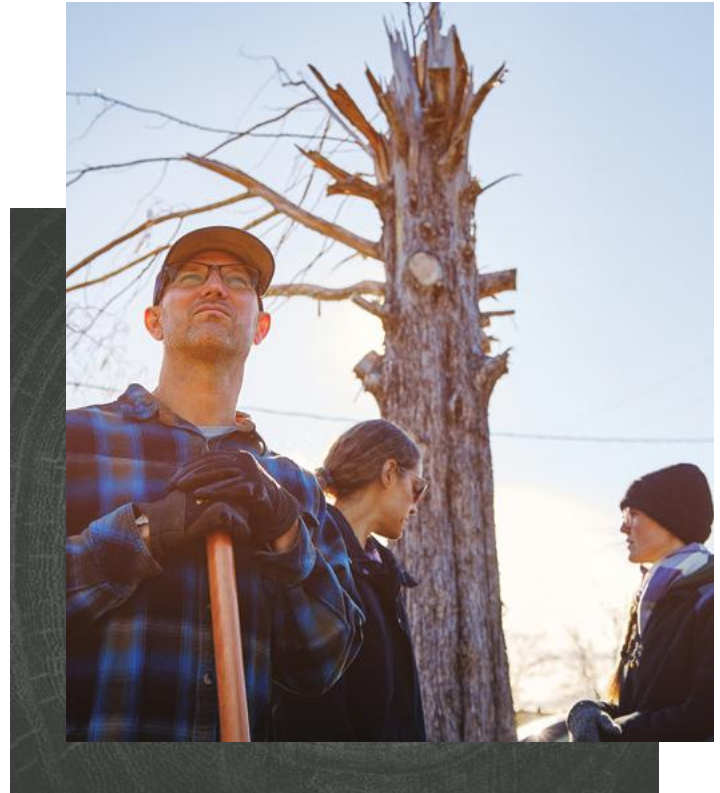


TREES IN COMMUNITIES

TRANSFORMING NEIGHBORHOODS, CHANGING LIVES



Trees are anchor points for our communities. They shade our yards and sidewalks, improve physical and mental well-being, filter out air pollutants, tame stormwater, and make neighborhoods feel like home. And in the last two years, the Arbor Day Foundation has engaged tree planters in 95% of neighborhoods across the country.



But our work is far from done, and it's time to go deeper. In our 2024 Canopy Report (see story on page 31), more than half of Americans said they still need to drive to their nearest green space. This is simply unacceptable. People need better access to trees, which is why we're focused on underserved communities. Even a few trees can have a big impact in low-canopy neighborhoods.

Through extensive urban tree programs and strong local partnerships, the Arbor Day Foundation is supporting tree planting in underserved neighborhoods with historically low tree canopy, communities devastated by ever-intensifying natural disasters, and cities and towns lacking the critical benefits trees provide amid a changing climate. This work is becoming more widespread in the U.S. and around the world, with community plantings happening for the first time in countries such as New Zealand and South Africa.

Together, we're ensuring the right trees are planted in the right places to address local challenges while contributing to the collective global good. With every tree planted, we are transforming communities – alongside the people who live there.

COMMUNITY IMPACT THIS YEAR

1.5 million

trees planted and distributed through community events

4,608,483

trees distributed to members and supporters to plant in their yards

700

community projects coordinated

28

countries reached

FUN FACT

Last year, enough community trees were planted and distributed at our events to create a tree line from New York City to Los Angeles – 3 times!



TACKLING HEAT WITH COMMUNITY TREES

The Earth's hottest day on record was set this summer. Then it was broken the following day. For people around the world, extreme heat is becoming commonplace as climate change redefines what summertime feels like.

But extreme heat isn't just uncomfortable. It already kills more Americans than all other weather events combined, hurricanes included.

Urban areas are roasting under these intense temperatures. Concrete, asphalt, and city infrastructure absorb the sun's heat and spike neighborhood temperatures by 10 degrees Fahrenheit or more. This is known as the heat island effect.

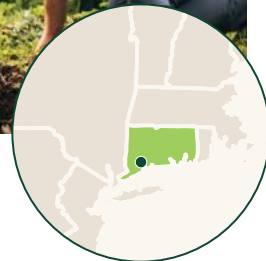
Low-income communities often bear the brunt of extreme heat, with fewer resources to find relief from extreme temperatures. The issue is only compounded by historical underinvestment in these neighborhoods. Lack of personal transportation to get away from the heat or even access to air-conditioned shelter makes a dangerous situation life-threatening.

The good news is that we have a tool to help combat all this heat that's simple, affordable, and available now: trees. The Arbor Day Foundation is working with local planting partners across the country and around the globe to strategically plant trees using data and science in communities where their shade is needed most. Here are just a few examples.

The Canopy Report
KEY FINDING

64%

of Americans stated that they are experiencing the effects of climate change where they live.



BRIDGEPORT, CONNECTICUT

The East Side neighborhood of Bridgeport has the lowest tree count in the city, with a tree canopy cover of 5%. On blistering 100-degree days, the lack of cooling shade can be overwhelming. The Arbor Day Foundation has been supporting tree planting and care within this community for multiple years, thanks to a partnership with Groundwork Bridgeport. Most recently, a tree distribution was held for residents of the East Side neighborhood. The trees planted in East Side yards will continue to offer layered benefits for the entire community for generations — including much-needed shade in the summer months.



TEMPE, ARIZONA

In the summer of 2023, Tempe saw a lot of record-breaking heat. And the city doesn't expect this trend to end. It has turned to trees as a solution for keeping schools cooler, creating a better environment for children to learn and play outdoors. Thanks to a partnership between the Arbor Day Foundation, Trees Matter, Arizona State University, the City of Tempe, and local school districts, 45 trees were planted on school grounds across three communities with low tree canopy. As these trees grow, they will go a long way in shading students during a game of tag at recess.



BEAVERTON, OREGON

The Pacific Northwest is typically known for its mild summers. In June of 2021, however, the weather was anything but. For several days, a deadly heat dome hovered over the region, causing temperatures to skyrocket to 116°F. Beaverton was hit hard by the heat dome and experienced a significant loss of tree canopy due to the combination of extreme heat plus a winter ice storm that hit months later. The Arbor Day Foundation and local tree planting partner Friends of Trees teamed up to distribute more than 200 trees to residents and plant 45 trees in public spaces throughout Beaverton, including an elementary school. The newly added trees will provide added strength in the face of future heat events.

Trees are standing tall for our communities, sheltering us from the intensifying heat. Work like this means cooler neighborhoods for generations to come.



TREES IN FORESTS

RESTORING A NATURAL LIFEFORCE



Standing tall on the front lines of climate change, forests absorb one-third of all fossil fuels emitted into the atmosphere annually. And yet they offer so many more layered benefits for the planet beyond the carbon they capture — cleaning our air, filtering our water, and providing endless beauty.

But the forests that do so much for us face big challenges such as insects, disease, storms, and devastating wildfires. The threat is magnified year after year, and 86% of Americans feel that right now is a critical time to be replanting our nation's forests.

We know the need for more trees and forests extends well beyond our nation's borders. The science has shown us where trees can make the most difference for our global ecosystem, which is why we've identified five forest regions of need where our focused efforts can create a greater impact.

Together with our supporters and on-the-ground partners, we are planting trees in forests at a scale that can change the world.

REFORESTATION IMPACT THIS YEAR

23.9 million

trees committed for planting on rural forestland

88

individual reforestation projects supported, many spanning multiple years to ensure the best outcomes

20

countries benefiting from more trees





FOCUSING OUR REFORESTATION EFFORTS

While we plant trees all around the world, we're focusing our reforestation efforts on key regions where trees can do the most good – making an impact on climate change, providing benefits to Indigenous and community lands, and improving biodiversity. These five priority planting regions, defined through our Forest Priority Index (see page 8), allow us to work at scale and create a lasting global impact.

→ Learn more at arborday.org/reforestation



1. American Pacific West

Unprecedented drought, extreme heat, and intense wildfires that burn longer and hotter are plaguing the American Pacific West. Replanting lost forests can help mitigate these effects of climate change, while also protecting the water supply, reducing heat-related deaths, and preserving habitat for plant and animal species.



2. American Southeast

The American Southeast has been subject to drastic deforestation, severely reducing the range of tree species that once spanned tens of millions of acres. Still, the region is a biodiversity hotspot, and its forests play a vital role in filtering water, housing wildlife, and supporting livelihoods. Our focus is on replanting native tree stands and working with landowners to restore their forests, fostering the ecosystem that defines those who care for it.



3. Central America and the Caribbean

This region is extremely vulnerable to climate change, facing severe droughts and torrential rains. The effects are especially damaging for people living in the area, as the health of the land is intrinsically linked to food security and livelihoods. Reforestation and agroforestry efforts help restore the quality of the land, improve agricultural productivity, and preserve biodiversity.



4. Amazon River Basin

The Amazon is a crucial global ecosystem, storing over 150 billion metric tons of carbon. Rapid deforestation and climate change are causing severe droughts and wildfires, threatening global water supply, and diminishing the forest's role as a carbon sink and the world's largest biodiversity hub. Restoration is vital to maintain this forest landscape and the layers of benefits it provides.



5. Atlantic Rainforest

The second-most biodiverse ecosystem in the world, this region has lost 88% of its original vegetation to deforestation and urbanization. Despite its diminished size, the forest remains crucial for Brazil's water supply, biodiversity, and the global fight against climate change. New trees are needed to revitalize the land and ensure these life-sustaining benefits continue.



SUPPORT FOR PARTNERS

NURTURING OUR NETWORK

Our network of partners is a diverse group. It includes urban forestry departments, local tree planting nonprofits, state forestry divisions, colleges and universities, utility companies, and many more — all unified by the common goal of fostering a world with more trees.

We understand that there's more to tree planting than the planting day. It's hard work that requires commitment, passion, new thinking and community. That's why the Foundation brings

people together — to strengthen connections, celebrate success, and inspire this network for the long haul.

We share knowledge and best practices at conferences and in educational sessions that keep the industry moving ahead. We cultivate opportunities for peer-to-peer learning and sharing. We provide an overarching urban forestry framework to support recognition program partners. And with this year's Volgenau Climate Initiative, we welcomed the brightest minds in reforestation to Arbor Day Farm® in Nebraska City, Nebraska, to discuss how to create meaningful change through large-scale tree planting.

SUPPORTING OUR PARTNERS

1,006

World Forum on Urban Forests attendees

937

Trees & Utilities Conference attendees

234

Alliance for Community Trees network partners

31

conservation gatherings hosted at Arbor Day Farm

The Canopy Report KEY FINDING

43%

of Americans feel like they need to be part of a green group to make a difference.

RECOGNITION PROGRAMS

CELEBRATING THOSE LEADING THE WAY FOR TREES



In every community, everyday leaders are supporting the urban canopy in their schools, cities, and more. These are the people standing up over and over to advocate for tree planting as a way to improve their communities. The Arbor Day Foundation’s recognition programs highlight their work, impact, and commitment to maintaining a set of standards on an annual basis.

It began in 1976 with Tree City USA®. As the program grew to inspire a movement across the country, more recognition programs were developed based on that model.

Today, our programs range from tree-loving schools and hospitals to entire cities that are committed to their tree canopies. Each program equips leaders with a consistent framework, helpful resources, and a robust peer network. Their ongoing commitment is ensuring that people can enjoy the benefits of trees where they live, and we are proud to provide them with a framework for success in urban forestry.

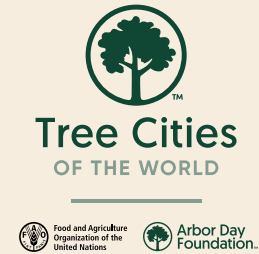
Thanks to the generosity of dedicated Foundation members and supporters, we’re creating fertile ground for new generations of community tree advocates to thrive around the world, from every walk of life.



RECOGNIZED COMMUNITIES, SCHOOLS, AND ORGANIZATIONS THIS YEAR



3,577
Partners



200
Partners



545
Higher Education,
K-12, and Healthcare
Partners



136
Partners

Nearly 1 million

trees planted by recognized cities, schools, and organizations



RECOGNIZING LEADERS WORLDWIDE



Tree Cities
OF THE WORLD

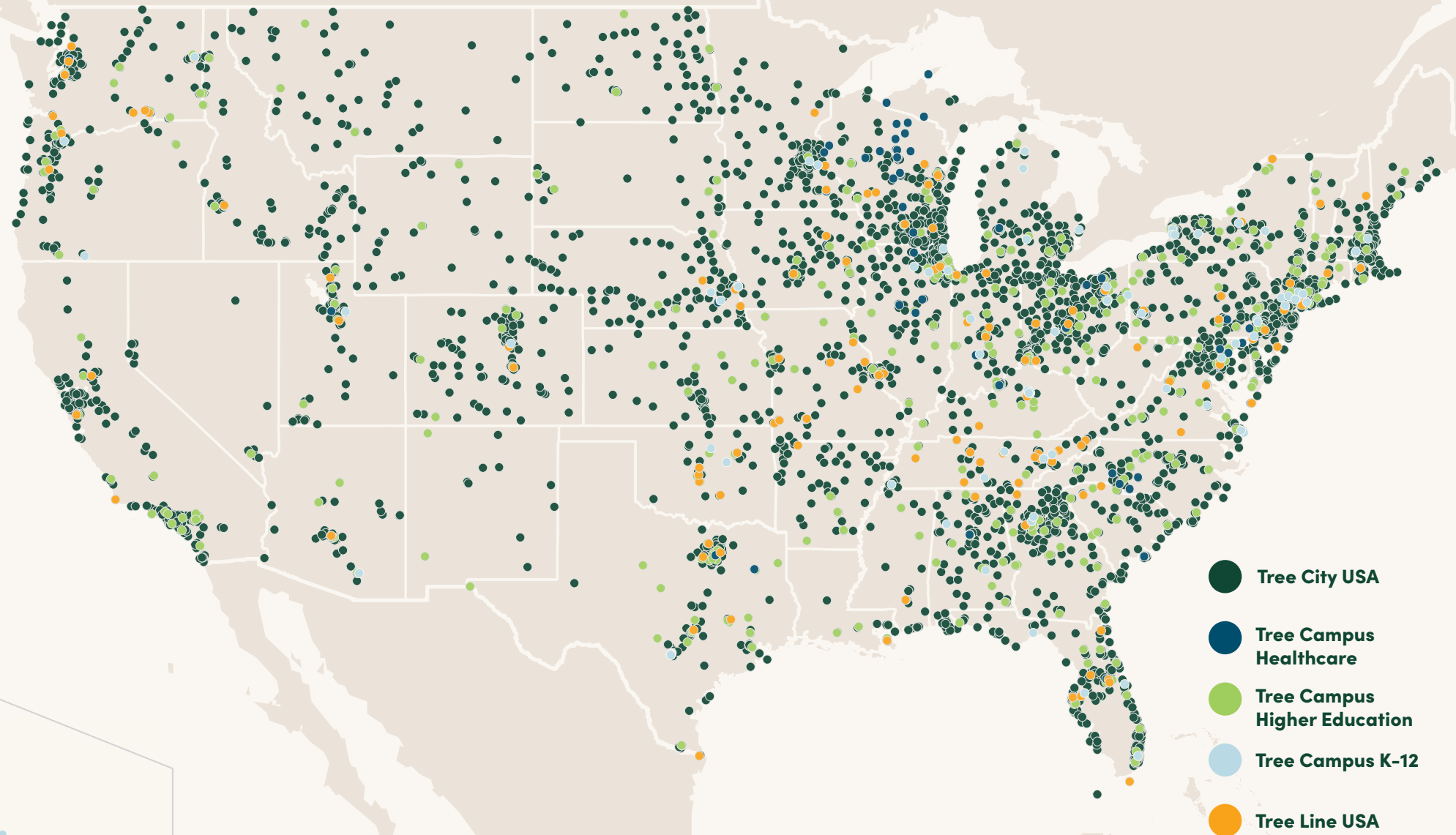


Our commitment to community forests extends around the globe, too. The Arbor Day Foundation and the Food and Agriculture Organization of the United Nations worked together to develop a program to support and celebrate cities and towns worldwide as they care for their urban tree canopy.

Because communities can look very different in different parts of the world, Tree Cities of the World was designed with that in mind. After five years, we're proud to have fostered a network of 200 cities in 22 countries dedicated to leading the way in urban forestry — and we're just getting started.

A NATIONWIDE SNAPSHOT OF RECOGNITION

No matter where you live, our collective web of recognition partners serves as a force for community trees — a front line in our efforts to ensure people have the access to trees that improve their quality of life today and for future generations.



FINANCIAL REPORT AND AUDIT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024, with comparative totals as of June 30, 2023



ASSETS	2024	2023
CURRENT ASSETS		
Cash and cash equivalents (notes A and E)	\$ 30,270,917	\$ 33,119,635
Investments (notes A, B, E, and L)	10,540,054	9,463,720
Accounts receivable, net of allowance of \$37,156 (2024) and \$0 (2023) (note A)	5,768,125	6,706,940
Unconditional promises to give (note A)	552,834	661,008
Grants receivable (note A)	850,986	297,434
Prepaid expense	10,665,236	14,430,763
Refundable income taxes (notes A and M)	856,179	851,065
Inventory (notes A and C)	15,001,366	16,009,909
Total current assets	74,505,697	81,540,474
PROPERTY AND EQUIPMENT, NET (notes A and D)	31,009,184	33,244,942
OTHER ASSETS		
Investments held for deferred compensation plan (notes B and L)	307,821	228,268
Intangible asset	5,867	12,267
Operating lease right-of-use assets (notes A and I)	1,887,674	2,101,636
Construction in progress	2,651,310	282,055
Contributions receivable from charitable trusts (notes E and L)	32,396	30,020
Total other assets	4,885,068	2,654,246
Total assets	\$ 110,399,949	\$ 117,439,662
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 2,341,514	\$ 2,270,742
Accrued expenses (notes A and S)	7,967,414	8,804,860
Operating lease obligations, current portion (notes A and I)	168,843	171,988
Conditional contributions (note A)	5,659,365	6,423,097
Deferred revenue (notes A and R)	1,342,793	1,645,242
Total current liabilities	17,479,929	19,315,929
LONG-TERM OBLIGATIONS		
Operating lease obligations, net of current portion (notes A and I)	1,733,748	1,902,544
Deferred revenue, net of current portion (notes A and R)	750,000	-
Total long-term liabilities	2,483,748	1,902,544
OTHER LIABILITIES		
Annuities payable (notes E and L)	529,870	560,262
Total liabilities	20,493,547	21,778,735
NET ASSETS (notes A and G)		
Without donor restrictions		
Undesignated	75,004,708	83,634,550
Designated	12,214,221	11,130,403
With donor restrictions	2,687,473	895,974
Total net assets	89,906,402	95,660,927
Total liabilities and net assets	\$ 110,399,949	\$ 117,439,662

→ See accompanying notes to consolidated financial statements.

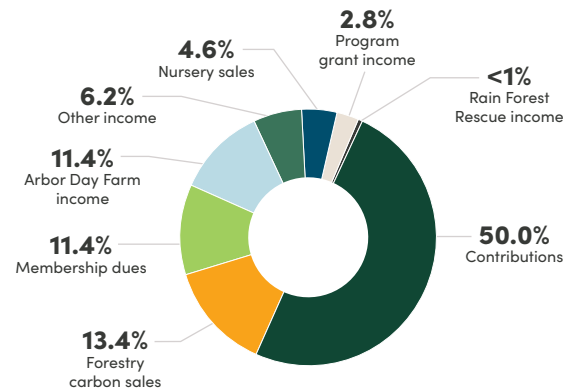


CONSOLIDATED STATEMENT OF ACTIVITIES

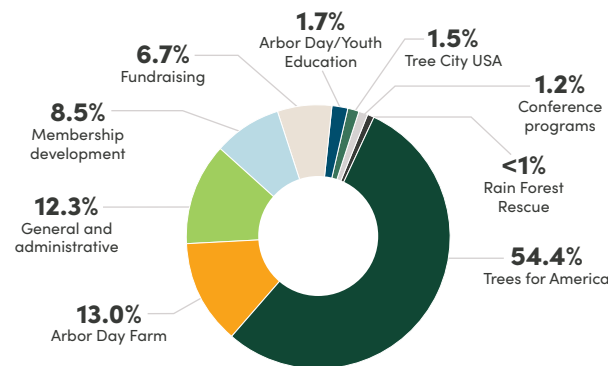
Year ended June 30, 2024, with comparative totals for the year ended June 30, 2023

CHANGES IN NET ASSETS	2024			2023
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
REVENUE AND SUPPORT				
Membership dues	\$ 12,533,868	\$ -	\$ 12,533,868	\$ 15,707,066
Contributions	53,086,455	1,694,000	54,780,455	53,424,178
Forestry carbon sales	14,648,867	-	14,648,867	25,555,625
Nursery sales	5,087,350	-	5,087,350	5,359,892
Program grant income	3,021,298	-	3,021,298	707,685
Arbor Day Farm income	12,469,343	-	12,469,343	12,483,686
Rain Forest Rescue income	278,646	-	278,646	395,209
Other income (note H)	6,646,252	99,559	6,745,811	4,245,112
Net assets released from restrictions (note A)	2,060	(2,060)	-	-
Total revenue and support	107,774,139	1,791,499	109,565,638	117,878,453
EXPENSES				
Program services				
Tree City USA	1,785,303	-	1,785,303	1,668,324
Arbor Day/Youth Education	1,996,846	-	1,996,846	1,911,238
Rain Forest Rescue	644,715	-	644,715	2,943,369
Trees for America	62,719,915	-	62,719,915	57,629,907
Arbor Day Farm	14,968,083	-	14,968,083	14,671,622
Conference programs	1,439,958	-	1,439,958	1,048,753
Supporting activities				
General and administrative	14,139,267	-	14,139,267	12,909,367
Membership development	9,826,120	-	9,826,120	6,026,677
Fundraising	7,761,639	-	7,761,639	6,748,081
Total expenses	115,281,846	-	115,281,846	105,557,338
INCREASE (DECREASE) IN NET ASSETS Before income taxes	(7,507,707)	1,791,499	(5,716,208)	12,321,115
INCOME TAX EXPENSE (notes A and M) Current	38,317	-	38,317	151,254
Increase (decrease) in net assets	(7,546,024)	1,791,499	(5,754,525)	12,169,861
Net assets, beginning of year	94,764,953	895,974	95,660,927	83,491,066
Net assets, end of year	\$ 87,218,929	\$ 2,687,473	\$ 89,906,402	\$ 95,660,927

2024 REVENUE



2024 EXPENSES



→ See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2024, with comparative totals for the year ended June 30, 2023

	PROGRAM SERVICES						SUPPORTING ACTIVITIES			2024 TOTALS	2023 TOTALS	
	Tree City USA	Arbor Day/ Youth Education	Rain Forest Rescue	Trees for America	Arbor Day Farm	Conference Programs	Total Program Services	General and Administrative	Membership Development			Fundraising
Salaries, payroll taxes and employee benefits (note J)	\$ 996,146	\$ 371,567	\$ 53,738	\$ 6,579,867	\$ 6,946,196	\$ 157,403	\$ 15,104,917	\$ 7,235,080	\$ 1,830,934	\$ 2,945,638	\$ 27,116,569	\$ 25,141,846
Contract labor	-	20,312	-	89,293	79,304	-	188,909	23,602	-	1,805	214,316	430,504
Advertising and promotion (note A)	7,197	13,353	20,775	693,674	271,499	1,042	1,007,540	843,809	78,304	55,101	1,984,754	1,675,521
Printing, publications, mailing, and photography	112,343	717,103	114,983	2,627,827	208,137	26,701	3,807,094	-	4,459,879	1,889,761	10,156,734	10,996,936
Travel and mileage	100,744	65,628	238	295,896	85,153	119,965	667,624	318,504	15,776	381,092	1,382,996	1,466,692
Professional services	108,756	144,501	4,686	1,984,742	212,471	75,343	2,530,499	2,949,325	102,095	625,473	6,207,392	4,402,163
Recognition material	1,150	86	-	2,973	2,911	117	7,237	74,755	-	571	82,563	76,912
Professional development	9,786	29	-	7,364	8,638	3	25,820	34,579	-	1,052	61,451	51,975
Taxes	788	1,055	826	16,820	192,747	-	212,236	47,913	4,248	6,097	270,494	397,805
Repairs and maintenance	8,426	32,067	4,279	57,360	434,522	-	536,654	247,040	140,132	51,491	975,317	1,059,889
Tree purchases and shipping expenses	-	-	-	8,436,716	-	-	8,436,716	-	2,633	-	8,439,349	8,099,548
Reforestation expenses	-	-	-	10,995,181	-	1,125	10,996,306	-	-	-	10,996,306	10,424,497
Rainforest preservation	-	-	7,651	-	-	-	7,651	-	-	-	7,651	11,740
Inventory costs	248,355	95,463	228,380	-	1,848,564	-	2,420,762	38,424	-	428,239	2,887,425	3,166,019
Computer services	21,880	327	166	491,752	114,572	2	628,699	1,382,759	2,033	48,612	2,062,103	1,525,607
Bank charges	10	-	-	576,510	297,695	-	874,215	19,624	-	-	893,839	819,895
Insurance	2,317	2,317	10,950	43,322	356,064	180	415,150	165,092	14,399	14,341	608,982	432,286
Telephone and utilities	6,922	6,545	2,504	52,485	635,271	391	704,118	76,212	33,689	42,626	856,645	986,469
Postage and shipping	88,191	355,606	163,275	1,579,001	83,890	1,665	2,271,628	23,470	2,907,654	986,026	6,188,778	5,975,549
Office supplies	1,800	1,788	900	11,370	12,145	236	28,239	27,830	11,098	14,409	81,576	80,595
Operating supplies	2,899	48,292	8,226	103,623	616,058	623,808	1,402,906	35,020	9,315	17,882	1,465,123	1,343,560
Dues and subscriptions	2,363	5,790	64	93,777	64,815	213	167,022	30,873	4,020	16,789	218,704	377,016
Interest expense	-	-	-	-	-	-	-	-	-	-	-	34
Bad debts	4	4,715	5,515	63,519	6,217	5,000	84,970	37,156	-	-	122,126	19,550
Rental expense (note I)	6,356	6,355	-	79,571	74,873	239,291	406,446	132,202	-	857	539,505	379,672
Depreciation (note D)	31,083	31,083	15,787	136,991	2,304,226	-	2,519,170	308,776	193,158	189,951	3,211,055	2,858,929
Subsidies for community tree planting initiatives	-	68,639	-	6,462,272	-	-	6,530,911	150	-	-	6,531,061	5,518,114
Forestry carbon credits (note A)	-	-	-	21,212,035	-	-	21,212,035	-	-	-	21,212,035	16,955,406
Research and development	-	365	-	3,023	-	-	3,388	4,910	-	26,688	34,986	184,435
Miscellaneous	27,787	3,860	1,772	22,951	112,115	187,473	355,958	82,162	16,753	17,138	472,011	698,174
Total Expenses	\$ 1,785,303	\$ 1,996,846	\$ 644,715	\$ 62,719,915	\$ 14,968,083	\$ 1,439,958	\$ 83,554,820	\$ 14,139,267	\$ 9,826,120	\$ 7,761,639	\$ 115,281,846	\$ 105,557,338
Total Expenses June 30, 2023	\$ 1,668,324	\$ 1,911,238	\$ 2,943,369	\$ 57,629,907	\$ 14,671,622	\$ 1,048,753	\$ 79,873,213	\$ 12,909,367	\$ 6,026,677	\$ 6,748,081	\$ 105,557,338	\$ 105,557,338



CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2024, with comparative totals for the year ended June 30, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from revenue and support	\$ 106,547,205	\$ 118,518,497
Cash paid to employees and suppliers	(110,185,921)	(113,934,322)
Interest received	1,849,595	1,235,049
Interest paid	-	(34)
Net cash provided (used) by operating activities	(1,789,121)	5,819,190
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,097,306)	(7,184,139)
Proceeds from the sale of investments	1,256,912	7,399,883
Purchase of property and equipment	(3,284,715)	(4,118,652)
Proceeds from disposal of assets	2,159,531	-
Net cash used by investing activities	(965,578)	(3,902,908)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on annuities	(94,019)	(98,744)
Net increase (decrease) in cash and cash equivalents	(2,848,718)	1,817,538
Cash and cash equivalents, beginning of year	33,119,635	31,302,097
Cash and cash equivalents, end of year	\$ 30,270,917	\$ 33,119,635
ADJUSTMENTS TO RECONCILE INCREASE (DECREASE) IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (5,754,525)	\$ 12,169,861
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	3,211,055	2,858,929
Reduction in the carrying amount of right-of-use assets	213,962	126,706
Reinvested interest and dividends	(213,885)	(147,347)
Gain on disposal of assets	(1,575,360)	-
Bad debt expense	122,126	19,550
Investment gain	(1,010,083)	(821,602)
Actuarial (gain) loss on annuities	33,571	(99,124)
Retired annuity liabilities	15,708	41,871
(Increase) decrease in assets		
Accounts receivable	816,689	587,346
Unconditional promises to give	108,174	(110,208)
Grants receivable	(553,552)	98,927
Prepaid expense	3,765,527	(4,753,720)
Refundable income taxes	(5,114)	(851,065)
Inventory	1,008,543	(1,438,562)
Assets held for deferred compensation plan	(79,553)	(24,121)
Increase (decrease) in liabilities		
Accounts payable	(566,836)	(1,358,568)
Accrued expenses	(837,446)	(1,702,807)
Income tax payable	-	(891,043)
Operating lease obligations	(171,941)	(153,810)
Conditional contributions	(763,732)	1,028,746
Deferred revenue	447,551	1,239,231
Total adjustments to increase (decrease) in net assets	3,965,404	(6,350,671)
Net cash provided (used) by operating activities	\$ (1,789,121)	\$ 5,819,190
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION:		
Noncash investing activities		
Accounts payable assumed for property and equipment purchases	\$ 777,614	\$ 140,006
Right-of-use assets obtained in exchange for operating lease obligations upon ASC 842 implementation	-	\$ (1,704,294)
Right-of-use assets obtained in exchange for operating lease obligations post ASC 842 implementation	-	\$ (524,048)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The National Arbor Day Foundation d/b/a Arbor Day Foundation (ADF) was incorporated under the Nebraska Nonprofit Corporation Act on September 3, 1971. Its purpose is to engage in educational and charitable activities including officially promoting the annual observance of Arbor Day; inspiring people to plant, nurture, and celebrate trees; stimulating a world-wide program of tree and horticultural planting and care; advancing nature education and environmental education; and maintaining Arbor Day Farm, the estate of J. Sterling Morton, founder of the Arbor Day holiday.

Arbor Day Carbon, LLC (ADC, LLC) was formed on June 30, 2021, as an LLC taxed as a C-Corporation and is a wholly owned subsidiary of the Foundation. The purpose of Arbor Day Carbon, LLC is to use market mechanisms to accelerate reforestation.

The consolidated entities are collectively referred to as "the Foundation".

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting. The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

Principles of Consolidation. The consolidated financial statements include the accounts of National Arbor Day Foundation d/b/a Arbor Day Foundation and Arbor Day Carbon, LLC, collectively referred to as the Foundation. All significant intercompany investments, transactions and account balances have been eliminated in consolidation.

Comparative Financial Information. The accompanying consolidated 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 accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Foundation's audited consolidated financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Cash and Cash Equivalents. For purposes of the consolidated statement of cash flows, the Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are measured at amortized cost, thus, evaluated for expected credit losses. Based on management's review of historical data in addition to current conditions and forecasts, the Foundation has not recognized an expected credit loss.

Investments. Investments in marketable securities, including equity and debt securities, with readily determinable fair values are reported at their fair values in the consolidated statement of financial position. Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments. Unrealized gains and losses are included in the consolidated statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

Fair Value Measurements. 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 measurement date. The Foundation utilizes a framework to prioritize the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). 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 the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

- 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;
- 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.

The asset 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 used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Accounts Receivable. Receivables represent the Foundation's present right to consideration that is unconditional. Trade accounts receivable are reported at the amount management expects to collect on balances outstanding at year-end. Accounts receivables were \$5,768,125, \$6,706,940, and \$7,313,836 as of June 30, 2024, 2023, and 2022, respectively.

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Trade receivables are stated at the amount billed to the customer. The Foundation does not charge interest on overdue customer account balances. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Allowance for credit losses is based on management's review of historical losses based on aging receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant. The Foundation believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Foundation's customers have remained consistent. Based on management's review, the Foundation has recorded a provision for expected credit loss of \$37,156 as of June 30, 2024. There was no expected credit loss as of June 30, 2023.

Grants Receivable. Grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history of grantors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

Unconditional Promises to Give. Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Unconditional promises to give that are expected to be collected or paid in more than one year are recognized at the present value of estimated future cash flows. Management provides for probable uncollectible unconditional promises receivable through a charge to net assets and a credit to a valuation allowance based on prior years' experience and management's analysis of specific promises made. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to unconditional promises receivable. Changes in the valuation allowance have not been material to the consolidated financial statements.

Inventory. Inventory is stated at the lower of cost or net realizable value determined by the first-in, first-out method. During the year ended June 30, 2024, an impairment charge of \$9,471,172 was recorded due to a decline in the estimated selling price of certain carbon credits. This loss is recognized in the consolidated statement of functional expenses as forestry carbon credits expense.

Property and Equipment and Depreciation. Property and equipment are carried at cost, if purchased, and at fair market value at the date of contribution, if received by donation, less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives computed primarily on the straight-line method. It is the Foundation's policy to capitalize property and equipment with a cost of \$5,000 or more and an estimated useful life of greater than one year. The cost of routine maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. The estimated lives by asset class follow:

Buildings	5-50 years
Leasehold improvements	5-20 years
Farm improvements	5-20 years
Orchards	5-20 years
Computer hardware	5-10 years
Lied Lodge equipment and improvements	3-30 years
Furniture and equipment	5-30 years
Computer software	5-10 years

Accrued Vacation. The Foundation's vacation pay policy allows full-time employees 80 hours of vacation time for the first year of full-time employment, increasing each year of employment up to a maximum of 160 hours per year after 10 years of employment. Vacation time is also available on a pro-rata basis for regular part-time employees. Up to 160 hours of accrued vacation time may be carried into a new calendar year but no more than 160 hours may be accumulated and unused at any time. All accumulated vacation time is paid out upon termination. Accrued vacation for the years ended June 30, 2024 and 2023 was \$956,275 and \$829,771, respectively.



NOTE A - Continued

Contract Balances. Contract assets represent the Foundation's right to consideration in exchange for services that have been transferred to the customer before payment is due. Contract liabilities include consideration due or paid by a customer prior to when the Foundation transfers services and represent the Foundation's obligation to the customer. The Foundation refers to contract liabilities as deferred revenue on the consolidated statement of financial position.

Net Asset Classification. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Without donor restrictions. Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

With donor restrictions. Net assets subject to donor- or grantor-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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted until the assets are placed in service. 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, and are reported in the consolidated statements of activities as net assets released from restrictions.

Contributions restricted by donors received in the same period when the associated stipulated time or purpose restriction is accomplished are reported as increases in net assets without donor restrictions. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions.

Revenue Recognition. The following is a description of the Foundation's principal sources of revenue:

Government and Other Grants.

The Foundation is the recipient of federal, state, and local grants to fund its primary programs. Grants consist primarily of conditional grants, that is, those with a measurable performance or other barrier, and a right of return. Grants are not recognized until the conditions on which they depend have been substantially met. The federal, state, and local grants are conditioned upon the incurrence of allowable qualifying expenses. Grants are recorded as revenue when the related approved expenditures are made. At June 30, 2024 and 2023, conditional grants of \$57,339,214 and \$737,565, respectively, were awarded to the Foundation, for which the Foundation has not yet incurred related expenditures.

Contributions. Contributions are recognized when a donor makes a promise to give that is, in substance, unconditional. 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 substantially met. At June 30, 2024 and 2023, the Foundation had \$12,513,289 and \$6,423,097 of conditional contributions in which the barriers for recognition had not been met, respectively. Conditional contributions received prior to the satisfaction of significant conditions are recognized as liabilities on the consolidated statement of financial position.

Sales of Goods or Services. Fees charged to program users are recognized at the point in time when the Foundation satisfies its performance obligations by transferring program goods or services to users. The Foundation's primary fees relate to conference revenue, tree sales, carbon credit sales, Arbor Day Farm revenues (food, beverage, merchandise, activity, and hotel/conference center rentals), and Rain Forest Rescue revenues, in which program users simultaneously consume and receive benefits. Any program fees prepaid by users are accounted for as deferred revenue until the Foundation satisfies its obligations to provide the related program goods or services.

The Foundation records the freight billed to customers as sales revenue and the related freight costs as tree purchases and shipping expenses.

The Foundation collects sales tax from all nonexempt customers at the rate in effect in the state where the delivery occurs if the Foundation has nexus in the state. The Foundation's accounting policy is to exclude the tax collected from revenue and remit the balance to the appropriate state.

Membership Dues. Dues recognition generally follows contribution recognition. However, some members, based upon the level of membership, receive trees as a part of their membership, thus membership dues are split with a portion recognized when received as a contribution and the remaining balance deferred until the trees are shipped to the member.

In-Kind Donations. In-kind donations are recorded as contributions at their estimated fair values at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by the Foundation. It is the Foundation's policy to sell all contributed assets immediately upon receipt at auction or for salvage unless the asset is restricted for use in a specific program by the donor.

Leases. At inception, the Foundation determines if a contract is or includes a lease arrangement. The Foundation's lease commitments include farm land, office space, and equipment. The following describes the Foundation's accounting policies related to its leasing arrangements:

As lessee

Leased assets represent the right to control the use of an identified asset for the lease term and lease obligations represent the obligation to make lease payments arising from the lease. The Foundation recognizes a right-of-use asset and related obligation at the commencement date, generally based on the present value of lease payments over the lease term using the Foundation's risk free rate. Leases with an initial term of 12 months or less, including month to month leases, are not recorded on the balance sheet and are expensed on a straight-line basis.

Operating Leases

Operating lease assets and liabilities are recognized separately on the Foundation's consolidated statement of financial position. The Foundation recognizes a single lease expense on a straight-line basis over the lease term. Nonlease components are expensed as incurred.

As lessor

Operating Leases

Under operating lease arrangements, the Foundation continues to recognize the underlying asset on its consolidated statement of financial position and recognizes income and initial direct costs expense generally on a straight-line basis over the lease term.

Advertising. The Foundation expenses advertising as incurred. Advertising expense for the years ended June 30, 2024 and 2023 was \$1,984,754 and \$1,675,521, respectively.

Functionalized Expenses. The costs of providing various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and in the Consolidated Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation, and property insurance, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other, which are allocated on the basis of estimates of time and effort.

Income Taxes. The National Arbor Day Foundation d/b/a Arbor Day Foundation is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code. As such, income earned in the performance of its exempt purpose is not subject to income tax. Any income earned through activities not related to its exempt purpose is subject to income tax at normal corporate rates.

Arbor Day Carbon, LLC accounts for income taxes using the "balance sheet method" of accounting for income taxes. Accordingly, deferred assets and liabilities are determined based on the difference between the consolidated financial statement and income tax bases of assets and liabilities, using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Use of Estimates. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B: INVESTMENTS

	2024		2023	
	COST	FAIR VALUE	COST	FAIR VALUE
INVESTMENTS CONSIST OF:				
Mutual funds	\$ 7,839,102	\$ 9,561,648	\$ 7,510,792	\$ 8,294,520
Exchange traded funds	1,267,803	1,286,227	1,397,888	1,397,468
	\$ 9,106,905	\$ 10,847,875	\$ 8,908,680	\$ 9,691,988
Unrealized gains		\$ 1,740,970		\$ 783,308

	2024	2023
OTHER INCOME - investment income consists of:		
Interest and dividend income	\$ 213,885	\$ 147,347
Realized gains	111,428	337,250
Unrealized gain	957,662	521,782
Investment management fees	(59,007)	(37,430)
	\$ 1,223,968	\$ 968,949

NOTE C: INVENTORY

	2024	2023
INVENTORY CONSISTS OF:		
Food and beverage inventory	\$ 218,092	\$ 176,946
Merchandise inventory	91,350	284,215
Coffee inventory	19,736	48,517
Catalog inventory	425,215	655,862
Other print inventory	16,829	17,501
Greenhouse inventory	75,786	33,684
Carbon inventory	14,090,525	14,720,866
Miscellaneous inventory	63,833	72,318
	\$ 15,001,366	\$ 16,009,909

NOTE D: PROPERTY AND EQUIPMENT

	2024	2023
PROPERTY AND EQUIPMENT CONSISTS OF:		
Land	\$ 4,725,162	\$ 4,725,162
Buildings	46,128,457	45,892,580
Leasehold improvements	149,557	271,697
Farm improvements	2,991,724	2,874,873
Orchards	76,356	76,356
Computer hardware	3,242,060	3,120,047
Lied Lodge equipment and improvements	7,043,132	6,963,663
Furniture and equipment	5,745,918	5,443,771
Computer software	4,667,081	4,515,864
	74,769,447	73,884,013
Less accumulated depreciation	(43,760,263)	(40,639,071)
	\$ 31,009,184	\$ 33,244,942

Depreciation expense for the years ended June 30, 2024 and 2023 was \$3,211,055 and \$2,858,929, respectively.



NOTE E: SPLIT-INTEREST AGREEMENTS

The Foundation has entered into charitable gift annuity contracts which provide for periodic distributions to the donor over a specified period of time, usually the life of the donor. Any amounts remaining, after all distributions have been made, are left to the Foundation.

When a gift annuity is created, the value of the annuity contract (payments due the annuitant) is treated as a liability of the Foundation. The discount rate used in calculating the annuity obligation is the prime rate at measurement date and the actuarial assumptions used in calculating the annuity obligation are those provided in actuarial tables. The difference between this liability and the total amount deposited by the annuitant is treated as a current contribution for that portion which ultimately accrues to the Foundation.

For the agreements where the Foundation is not the trustee, the Foundation has recorded an asset included in the caption "contributions receivable from charitable trusts" which represents its beneficial interest in the agreements.

For the years ended June 30, 2024 and 2023, contributions include gift annuity contracts valued at \$10,652 and \$3,970, respectively, after recognizing the liabilities relating to the annuity contracts.

The Foundation complies with requirements of various states' laws, including mandated annuity reserves and limitations on the manner in which net assets are invested.

Assets of the Foundation, as derived from split-interest agreements, are as follows:

	2024	2023
Cash and cash equivalents	\$ 66,689	\$ 33,190
Contributions receivable from charitable trusts	32,396	30,020
Investments	1,341,373	1,344,615
	\$ 1,440,458	\$ 1,407,825

NOTE F: REVOLVING CREDIT NOTES PAYABLE

National Arbor Day Foundation d/b/a Arbor Day Foundation has secured a revolving credit note agreement with a financial institution, which provides it may borrow up to \$3,000,000 at the bank's variable interest rate. The note is secured by substantially all of the assets of the National Arbor Day Foundation d/b/a Arbor Day Foundation. No amounts had been borrowed on the revolving credit note as of June 30, 2024 and 2023. The revolving credit note expires January 31, 2026.

Arbor Day Carbon, LLC has secured a revolving credit note agreement with a financial institution, which provides it may borrow up to \$4,000,000 at the bank's variable interest rate. The note is secured by substantially all of the assets of Arbor Day Carbon, LLC. No amounts had been borrowed on the revolving credit note as of June 30, 2024 and 2023. The revolving credit note expires December 31, 2024.

NOTE G: NET ASSETS

Net assets without donor restrictions have been designated by the governing board as follows:

	2024	2023
Board designated:		
Board designated reserve fund (cash and investments)	\$ 8,849,188	\$ 7,774,965
Board designated reserve fund (property)	3,075,257	3,075,257
Quasi-endowment fund	289,776	280,181
	\$ 12,214,221	\$ 11,130,403

Net assets with donor restrictions comprise the following:

	2024	2023
Subject to purpose restrictions:		
Capital improvements	\$ 1,650,000	\$ -
Earnings on permanently restricted endowment funds	40,048	36,708
Other	10,945	-
Subject to time restrictions:		
Split-interest agreements	910,588	814,374
Subject to perpetual restrictions:		
Permanent endowments	75,892	44,892
	\$ 2,687,473	\$ 895,974

NOTE H: OTHER INCOME

Other income consists of:

	2024	2023
List rental income	\$ 546,179	\$ 595,869
Education material sales	131,958	212,856
Tree City USA material sales	41,907	57,677
Conference and training	1,298,185	1,056,800
Rental income	488	302
Investment income	1,223,968	968,949
Interest income	1,849,595	1,235,049
Gain on disposal of property and equipment	1,575,360	-
Other income	78,171	117,610
	\$ 6,745,811	\$ 4,245,112

NOTE I: LEASES

As Lessee

The Foundation leases real property under two operating lease agreements. Under the first agreement, lease payments are \$42,000 plus inflation adjustments annually through December 31, 2098. Under the second agreement, lease payments are \$28,000 plus inflation adjustments annually through December 31, 2046.

The Foundation leases building space under an operating lease agreement. The term of the lease is from August 1, 2022 through October 31, 2027. Under the agreement, monthly rent payments at the beginning of the lease were \$4,423 and will gradually increase to \$9,574 by the end of the term.

Operating lease right-of-use assets and lease obligations as of June 30, 2024 and 2023 were as follows:

	2024	2023
Right-of-use assets	\$ 1,887,674	\$ 2,101,636
Lease obligations		
Current	\$ 168,843	\$ 171,988
Noncurrent	1,733,748	1,902,544
	\$ 1,902,591	\$ 2,074,532

Lease expenses for the year ended June 30, 2024 and 2023 are as follows:

	2024	2023
Operating lease expense	\$ 192,404	\$ 126,707
Short-term lease expense	347,101	252,965
	\$ 539,505	\$ 379,672

Average operating lease terms and discount rate at June 30, 2024 and 2023 were as follows:

	2024	2023
Weighted average remaining lease term (years):	48.56	49.56
Weighted average discount rate:	3.30%	3.30%

The aggregate future lease payments below summarize the remaining future undiscounted cash flows for operating leases as of June 30, 2024, and a reconciliation to operating lease obligations reported on the consolidated statement of financial position.

Year ending June 30,	2025	\$	180,613
	2026		182,808
	2027		185,046
	2028		109,204
	2029		70,908
	Thereafter		3,489,252
	Total minimum lease payments		4,217,831
	Less: present value discount		(2,315,240)
	Operating lease obligations	\$	1,902,591

NOTE I: LEASES - Continued

As Lessor

The Foundation has entered into a sublease agreement for real property. The sublease is under the same terms as the Foundation's; lease payments are \$42,000 plus inflation adjustments annually through December 31, 2098.

The consolidated financial statements include rent income of \$42,000 for each of the years ended June 30, 2024 and 2023.

Future minimum lease revenues for the years following June 30, 2024 are:

Year ending June 30,	2025	\$	42,000
	2026		42,000
	2027		42,000
	2028		42,000
	2029		42,000
	Thereafter		2,940,000
		\$	3,150,000

NOTE J: RETIREMENT PLAN

The Foundation has established a defined contribution retirement plan qualified under Section 401(k) of the Internal Revenue Code. Employees may, upon hire, make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Employee contributions are matched dollar for dollar up to 3% and then are matched 50 cents on the dollar up to 4%. Matching contributions were \$849,444 and \$721,532 for the years ended June 30, 2024 and 2023, respectively. Employees become vested in the matching contributions over a five-year period, 20% each year.

The Foundation also established salary deferral plans for eligible employees under IRC Section 457(b) and 457(f). Executive team members and vice presidents, as designated by the Foundation, are eligible to participate in the plan. As of June 30, 2024 and 2023, \$430,341 and \$429,387 has been deferred on behalf of the participants, respectively.

NOTE K: ALLOCATION OF JOINT COSTS

The Foundation conducted activities which incurred joint costs for educational information and distribution of direct mail fundraising appeals, and for corporate marketing activities. These costs were allocated as follows:

	2024	2023
Total joint costs allocated to program services	\$ 4,459,724	\$ 5,140,096
Total joint costs allocated to fundraising	3,595,993	2,223,112
	\$ 8,055,717	\$ 7,363,208

NOTE L: FAIR VALUE MEASUREMENTS

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in methodologies used during the years ended June 30, 2024 and 2023.

Mutual funds: Valued at the observable net asset value (NAV) of shares held by the Foundation at year-end.

Exchange traded funds: Valued at the observable net asset value (NAV) of shares held by the Foundation at year-end.

Contributions receivable from charitable trusts: Valued at an amount equal to the estimated present value of the life interest. The estimated value of the life interest of the trust is based on the trust's current market value, a discount rate of 5.6% (2024) and 4.2% (2023) as provided in Internal Revenue Service (IRS) guidelines, and the estimate remaining life of the donor as provided in actuarial tables.

Annuities payable: Valued using the estimated present value of the annuity obligation. The Foundation has elected the fair value option for measuring annuity obligations. The discount rate of 8.50% (2024) and 8.25% (2023) used in calculating the annuity obligation is the prime rate and the actuarial assumptions used in calculating the annuity obligation are those provided in actuarial tables. Both the discount rate and the actuarial assumptions are updated each period the obligations are valued.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



NOTE L - Continued

The following tables set forth the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and 2023.

INVESTMENTS:	2024				2023			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds								
Large cap	\$ 567,130	\$ 567,130	\$ -	\$ -	\$ 564,740	\$ 564,740	\$ -	\$ -
Mid cap	111,579	111,579	-	-	77,873	77,873	-	-
Small cap	104,271	104,271	-	-	131,563	131,563	-	-
International	3,403,198	3,403,198	-	-	2,933,780	2,933,780	-	-
High yield bond	30,379	30,379	-	-	31,452	31,452	-	-
Intermediate-term bond	226,535	226,535	-	-	188,736	188,736	-	-
Short-term bond	4,443,979	4,443,979	-	-	3,822,869	3,822,869	-	-
World bond	305,708	305,708	-	-	253,496	253,496	-	-
Inflation-protected bond	61,048	61,048	-	-	61,743	61,743	-	-
Exchange traded funds								
Large blend	1,274,716	1,274,716	-	-	1,380,496	1,380,496	-	-
Foreign large blend	11,511	11,511	-	-	16,972	16,972	-	-
INVESTMENTS HELD FOR DEFERRED COMP PLAN:								
Mutual funds								
Large cap	23,848	23,848	-	-	20,532	20,532	-	-
Mid cap	9,876	9,876	-	-	14,775	14,775	-	-
Small cap	12,684	12,684	-	-	5,651	5,651	-	-
International	17,315	17,315	-	-	7,635	7,635	-	-
Intermediate-term bond	-	-	-	-	8,383	8,383	-	-
Short-term bond	3,018	3,018	-	-	1,474	1,474	-	-
Target date funds	241,080	241,080	-	-	169,818	169,818	-	-
	\$ 10,847,875	\$ 10,847,875	\$ -	\$ -	\$ 9,691,988	\$ 9,691,988	\$ -	\$ -
Contributions receivable from charitable trusts	\$ 32,396	\$ -	\$ -	\$ 32,396	\$ 30,020	\$ -	\$ -	\$ 30,020
Annuities payable	\$ 529,870	\$ -	\$ -	\$ 529,870	\$ 560,262	\$ -	\$ -	\$ 560,262

The following table sets forth a summary of changes in the fair value of the Foundation's level 3 assets and liabilities for the years ended June 30, 2024 and 2023.

	2024		2023	
	Contributions Receivable from Charitable Trusts	Annuities Payable	Contributions Receivable from Charitable Trusts	Annuities Payable
Balance at June 30, 2022	\$ 30,343	\$ 710,229		
Annuity liabilities added	-	6,030		
Annuity liabilities released	-	(140,614)		
Actuarial change in split-interest agreements	(323)	(15,383)		
Balance at June 30, 2023	\$ 30,020	\$ 560,262		
Annuity liabilities added	-	14,348		
Annuity liabilities released	-	(109,727)		
Actuarial change in split-interest agreements	2,376	64,987		
Balance at June 30, 2024	\$ 32,396	\$ 529,870		

NOTE M: INCOME TAXES

The National Arbor Day Foundation d/b/a Arbor Day Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The National Arbor Day Foundation d/b/a Arbor Day Foundation has hotel and conference center income, which is subject to tax on unrelated business income. For the years ended June 30, 2024 and 2023, the Foundation had no tax liability on unrelated business activity. The Foundation has Federal and Nebraska net operating loss carryforwards that may be offset against future taxable income. If not used, the Federal carryforwards totaling \$11,802,551 expire between now and June 30, 2038, for net operating losses arising before fiscal year 2019. Net operating losses totaling \$5,109,306 arising during and after fiscal year 2019, do not expire. State carryforwards totaling \$7,538,769 will expire between now and June 30, 2044. No net operating loss is anticipated to be used prior to expiration; therefore, no deferred tax asset has been established. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements.

The National Arbor Day Foundation d/b/a Arbor Day Foundation's federal Returns of Foundation Exempt from Income Tax (Form 990) and Exempt Foundation Business Income Tax Returns (Form 990T) for June 30, 2024, 2023, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

The National Arbor Day Foundation d/b/a Arbor Day Foundation is a not-for-profit organization that is exempt from income taxes under the Internal Revenue Service Code. As such, the income tax items shown on the consolidated financial statements relate only to the Foundation's taxable subsidiary.

The Subsidiary has Federal and state net operating loss carryforwards that may be offset against future taxable income. The Federal carryforwards are indefinite while the state carryforwards expire based on each state's regulations. The loss carryforwards at June 30, 2024 total \$14,043,844 (Federal) and \$13,210,236 (various states). No net operating loss is anticipated to be used; therefore, no deferred tax asset has been established. The Subsidiary believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. The Subsidiary files income tax returns in the U.S. federal jurisdiction and several state jurisdictions. The Subsidiary's income tax returns are subject to examination by the IRS, generally for three years after they were filed.

NOTE N: COMMITMENTS AND CONTINGENCIES

The Foundation had open commitments to purchase trees in the amount of \$5,067,745 as of June 30, 2024. All are expected to be paid during the year ending June 30, 2025.

The Foundation is currently in progress on the repairs of several buildings. As of June 30, 2024, approximately \$411,238 is still expected to be incurred. The repairs are expected to be completed by October 2024. The Foundation has a contingent receivable associated with the repairs of \$258,676 that is to be paid by insurance when the repairs are complete.

NOTE O: CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist primarily of checking accounts, money market accounts, and Short-Term Federal Investment Trust (STFIT) accounts at financial institutions. Checking and money market accounts at each institution are insured by the FDIC up to \$250,000. At June 30, 2024 and 2023, the bank accounts exceeded federal insured limits by \$251,658 and \$1,495,223, respectively. Additionally, a STFIT account at a financial institution is not FDIC-insured. At June 30, 2024 and 2023, the STFIT account balance totaled \$7,225,506 and \$12,070,787 respectively. The STFIT account is collateralized by federal agency bonds.

NOTE P: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following:

	2024	2023
Cash and cash equivalents	\$ 30,270,917	\$ 33,119,635
Investments	10,540,054	9,463,720
Accounts receivable	5,768,125	6,706,940
Unconditional promises to give	552,834	661,008
Grants receivable	850,986	297,434
Refundable income taxes	856,179	851,065
Inventory	15,001,366	16,009,909
Total financial assets	\$ 63,840,461	\$ 67,109,711

	2024	2023
DONOR IMPOSED RESTRICTIONS:		
Perpetual in nature	\$ (75,892)	\$ (44,892)
Subject to expenditure for specified purpose or time	(2,611,581)	(851,082)
Net financial assets after donor-imposed restrictions	61,152,988	66,213,737
Less:		
Board-designated cash and investment funds	(9,138,964)	(8,055,146)
Financial assets available to meet cash needs for general expenditures within one year	\$ 52,014,024	\$ 58,158,591

As part of the liquidity management plan, cash in excess of daily requirements is invested in short-term investments, mutual funds, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which was \$9,138,964 as of year-end date.

The operating reserve is a board-designated fund with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. In the event of an unanticipated short-term liquidity need, the Foundation also could draw upon the \$7,000,000 available on its revolving credit notes payable. See Note F.

As of June 30, 2024, \$17.5 million of the financial assets available to meet cash needs for general expenditures within one year will be used to satisfy current liabilities, which in large part are made up of obligations to plant trees.

NOTE Q: DISAGGREGATION OF REVENUE

The following table shows the Foundation's revenues from contracts with customers disaggregated according to the timing of transfer of control of goods or services:

	2024	2023
REVENUE RECOGNIZED AT A POINT IN TIME		
Membership dues	\$ 5,736,659	\$ 4,028,236
Forestry carbon sales	14,648,867	25,555,625
Nursery sales	5,087,350	5,359,892
Arbor Day Farm income	12,469,343	12,483,686
Rain Forest Rescue income	278,646	395,209
Other income	2,096,400	2,040,812
Total revenue recognized at a point in time	\$ 40,317,265	\$ 49,863,460

NOTE R: CONTRACT BALANCES

The following table provides information about the changes in the contract liabilities for the years ended June 30, 2024 and 2023.

	2024	2023
Contract liabilities, beginning of year	\$ 1,645,242	\$ 406,011
Recognition of revenue included in beginning balance	(1,627,242)	(406,011)
Collection of customer prepayments	2,074,793	1,645,242
Contract liabilities, end of year	\$ 2,092,793	\$ 1,645,242

NOTE S: SELF-INSURANCE PLAN

The Foundation provides health insurance to its employees through a plan which is funded by both participant and employer contributions. The Foundation has pledged to make payments to the plan as needed to pay benefits and expense related to the plan. A stop loss policy limits the Foundation's payments to \$70,000 per individual and \$2,727,342 aggregate. The Foundation has accrued \$250,216 and \$241,090 as of June 30, 2024 and 2023, respectively, for estimated costs incurred under the plan, but not yet paid. This accrual is included in accrued expenses on the consolidated statement of financial position.

NOTE T: NEW ACCOUNTING STANDARD

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326). ASU 2016-13 significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the consolidated financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. The FASB has subsequently issued additional, clarifying standards to address issues arising from implementation of the new current expected credit loss standard. ASU 2016-13 and all subsequently issued amendments, collectively "ASC 326," is effective for annual reporting periods beginning after December 15, 2022. Financial assets held by the Foundation that are subject to the guidance in FASB ASC 326 were cash and cash equivalents and accounts receivable.

On July 1, 2023, the Foundation adopted ASC 326. The impact of the adoption was not considered material to the consolidated financial statements and primarily resulted in enhanced disclosures only. The Foundation's accounting policies in Note A have been updated to reflect the impact of the standard.

NOTE U: SUBSEQUENT EVENTS

Subsequent events have been evaluated through the audit report date, the date the consolidated financial statements were available to be issued.



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Yinka Akinyemi

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People and Experience

Paul Cooper

Chief Operating Officer

Britt Ehlers

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The Canopy Report

A LOOK AT HOW AMERICA SEES TREES

We believe in the power of trees to improve our world. But we were curious — do our fellow Americans share our understanding of trees as a natural good?

The Arbor Day Foundation's Canopy Report is a wide-ranging study into how people across the U.S. feel about trees. Developed in collaboration with The Harris Poll, one of the nation's leading consumer research firms, the report examines Americans' engagement with green space and their awareness of the health and climate benefits of trees. What we uncovered was a profound affinity for the trees that enrich our lives, our communities, and the planet in so many ways. We hope you have enjoyed seeing the highlights of the Canopy Report throughout these pages.

91%

of Americans believe we need to replant trees that get deforested each year.

9 in 10

say trees contribute to their mental well-being.

77%

of Americans wish their neighborhood had more trees and green spaces.



Dig into the details at
arborday.org/canopyreport.



We are a global nonprofit inspiring people to plant, nurture, and celebrate trees. We've planted more than 500 million trees — fighting climate change, strengthening communities, and restoring biodiversity in the process.

[ARBORDAY.ORG](https://arborday.org)

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