

# 2016 Annual Report

We inspire people to plant, nurture, and celebrate trees.





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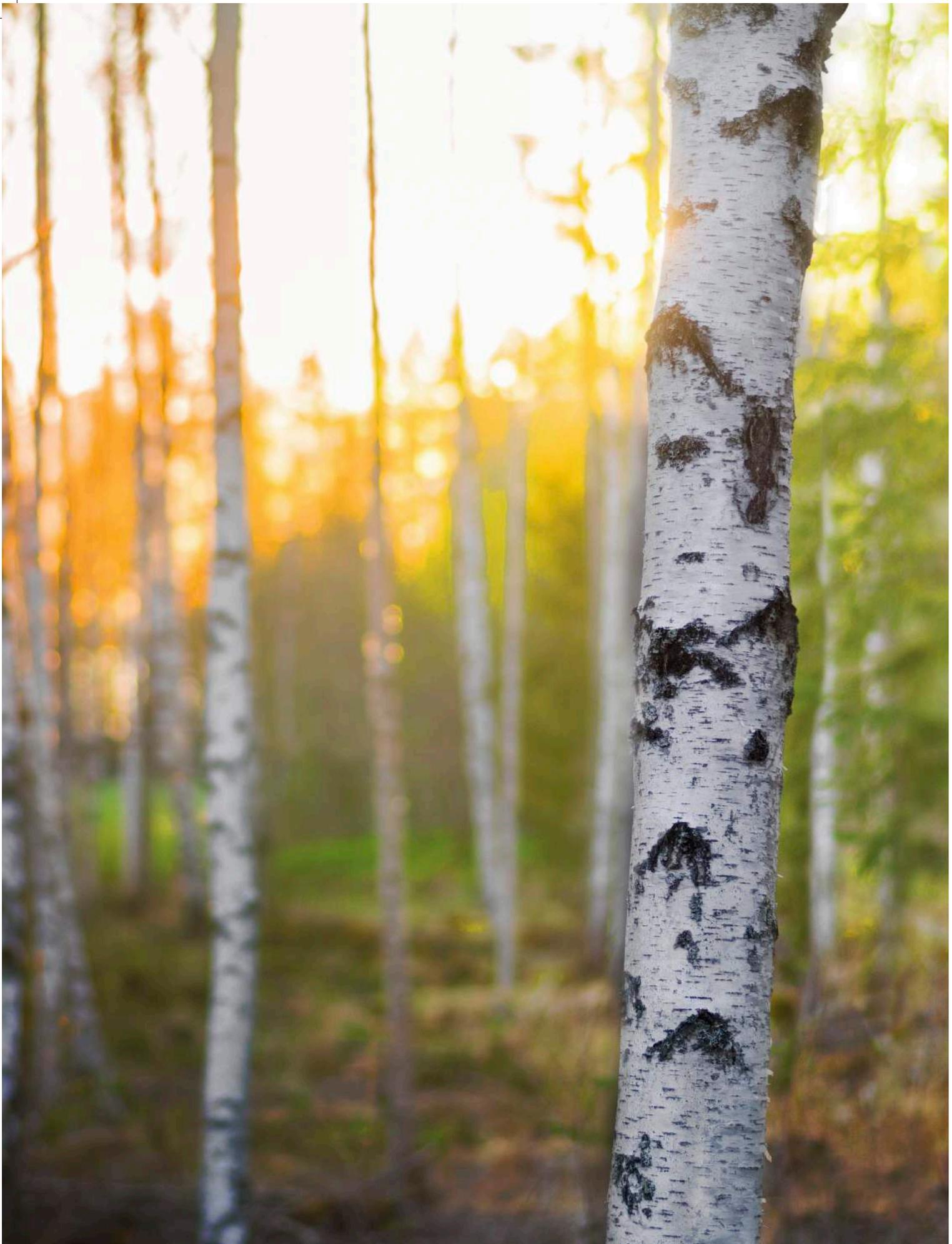
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## DEAR MEMBERS AND FRIENDS,

It's been a remarkable year. The growth of our many conservation programs has brought us to a new level of delivering positive impact on our environment and on people's lives.

For example, this year the Arbor Day Foundation planted more than 6 million trees in forests around the world and delivered more than 5 million more trees into the hands of members, homeowners, and people recovering from natural disasters across America. Those trees are the equivalent of planting all the trees in New York's Central Park every single day.

More Tree City USA communities than ever, a record 3,478 towns and cities and home to more than 140 million Americans, are enjoying the benefits of comprehensive, sustainable urban forestry programs through the efforts of elected officials and local leaders, state foresters and U.S. Forest Service supporters, and engaged citizens. This year marked the 40th anniversary of the Tree City USA program, now firmly established as the framework for urban forestry management across the country.

Our international work expanded to 18 countries this year, where we replanted forests, helped save threatened rain forests, and enriched the lives of communities with jobs, education, and enhanced incomes for their premium shade-grown coffee.

We also celebrated the milestone of planting 60 million trees in America's state and national forests with a commemorative tree in our nation's capital. The celebration was shared with our friends at the U.S. Forest Service along with some of our supporting corporate partners and represented how the public-private-nonprofit partnerships we forge can make a profound difference.

The worldwide impact is clean air, pure water, restored wildlife habitat, enhanced venues for beauty and recreation, entire communities' livelihoods improved, and a greener, healthier earth for generations to come.

As we look to the future, the Arbor Day Foundation's momentum positions us to quickly expand and broaden our impact. And it is imperative that we do so. There is so much work yet to be done. The future holds both great necessity and great promise as we continue to work together to plant trees for the benefit of the world.

With deepest gratitude,

A handwritten signature in black ink that reads "Matt Harris". The signature is written in a cursive, flowing style.

Matt Harris  
Chief Executive



## DEAR MEMBERS AND FRIENDS,

A year ago, with the Arbor Day Foundation's new energy, leadership, and vision for the future, we were able to put our sights on growth. This past year, the positive impact of our stewardship programs has indeed grown. Our vision of being a leader in creating worldwide recognition and use of trees as a solution to global issues guides that growth. The steps we've taken and the momentum we've experienced have put us on the path to be that leader.

Planting trees to address global issues such as water quality, clean air, wildlife habitat, climate change, energy savings, poverty, and hunger is what we do. Our mission compels it. Planting trees delivers a profound impact that directly fulfills that mission.

For example, our work replanting trees in areas of our nation's forests is protecting critical water resources and helping to ameliorate climate change. The impact of members planting trees in their neighborhoods, delivering trees to communities in the wake of natural disasters, and growing our network of urban forestry partnerships promotes clean air and water, energy savings, and people's health and well-being.

Using trees to address global issues has also guided our growth internationally. We quickly expanded our work to additional projects in 18 countries this year. The positive impact of replanting forests, saving threatened rain forests, and changing the lives of thousands of farming families is directly addressing the issues of climate change, habitat, poverty, and hunger.

We are grateful for this progress in making even more of a difference in the world. We're especially grateful that our momentum is a direct result of loyal members and supporters sharing in this important work.

Thank you for your support in helping us continue to grow and broaden our impact as stewards of the earth.

Sincerely,

A handwritten signature in black ink that reads "Ray Empson". The signature is written in a cursive, flowing style.

Ray Empson, Chair  
Board of Trustees



## BOARD OF TRUSTEES



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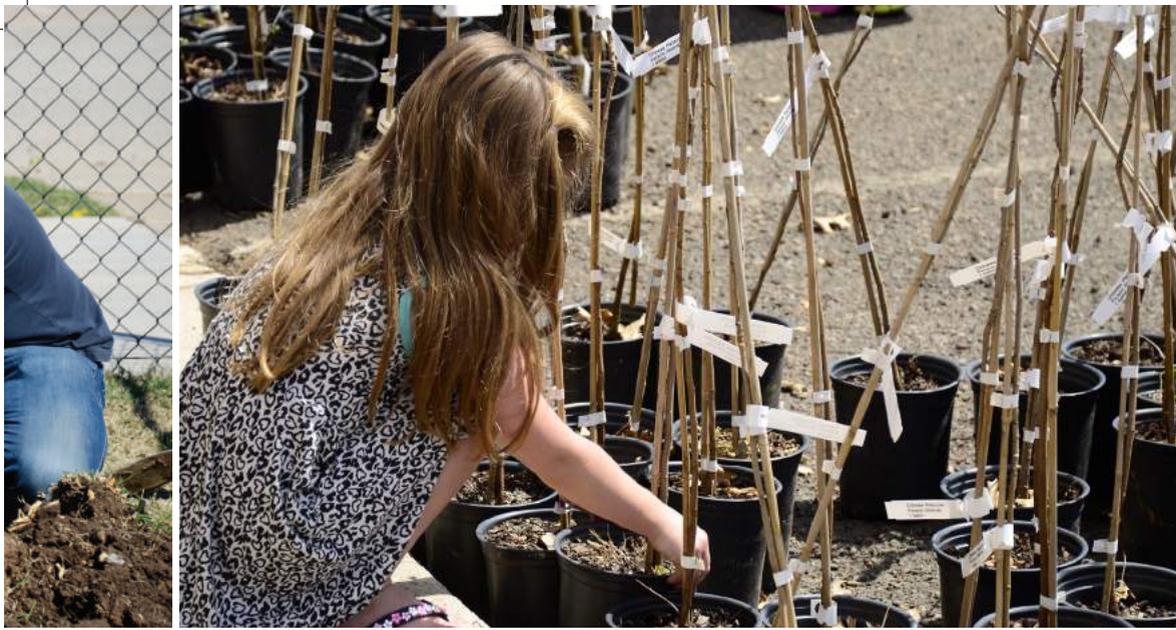
**13** ACTIVE COMMUNITY  
**TREE RECOVERY**  
campaigns this year.

**192** DISTRIBUTION AND  
**PLANTING EVENTS**  
held for this year's campaigns.

**989,087** TREES DISTRIBUTED  
to communities at those events.



*The Arbor Day Foundation's nearly one million members are vital to our shared mission to plant, nurture, and celebrate trees.*



# TREES FOR AMERICA®

Members and partners plant millions of trees to restore damaged forests and enrich America's communities and countrysides.

**T**rees are being planted in neighborhoods across the country through the Trees for America program — resulting in clean air and water, better stormwater management, and energy-saving shade for homes and businesses. Trees are also being planted on farms and ranches, protecting soil and water resources as well as creating new habitat for wildlife.

Every year the Foundation's members — and potential new members — are invited to receive 10 trees through this program. Nearly six million trees were delivered to those doing their part to improve the environment and the communities where they live.

In addition to providing member trees, the Trees for America program supplies trees for our Community Tree Recovery program. The focus is to provide trees in the wake of natural disasters, replacing community tree canopy and bringing hope.

This year, there were 13 active Community Tree Recovery campaigns. One example was in central Arkansas. On April 17, 2014, an EF4 tornado touched down in Arkansas, and wreaked havoc on the communities of Mayflower and Vilonia. The tornado remained on the ground

for over an hour — reaching wind speeds of up to 190 mph — and took 16 lives. It is considered among the most deadly tornadoes to hit Arkansas since 1968.

To date, 17,000 trees have been distributed to area residents, including Barbra Harrison. For 26 years, she had enjoyed the magnolia tree in her yard. But in the 2014 tornado, her beloved tree was destroyed. She was one of the first in line at the Community Tree Recovery event, and she was more than excited to get a new magnolia to plant in its place.

In Alaska, a Community Tree Recovery campaign was established in the wake of the Sockeye Fire of 2015 that burned more than 7,000 acres and destroyed 55 homes in the town of Willow. Leo Lashock was one of the homeowners to receive trees from the Alaska distribution event. A captain with the fire department, he was protecting homes as the massive wildfire bore down on his community. Unfortunately, he lost his home and all of the trees surrounding it in the blaze. These new trees mean a fresh, green start for Leo's land and a reminder of the way the community pulled together to survive the fire and come back stronger.



**23** CRITICAL WATERSHED restoration projects were supported across the country this year.

**82** different native species planted this year to help restore state and national forest lands.

**60 MILLION** TREES PLANTED to date in state and national forests.

REPLANTING OUR  
**NATIONAL  
 FORESTS**

*“This year, the Foundation planted more than 5.5 million trees in our nation’s forests through partnerships.”*



## REPLANTING OUR NATION'S FORESTS

Thanks to generations past, our forests are our heritage.  
The conservation of these forests will be our legacy for the future.

America's forests are a treasured legacy threatened by insects, disease, and devastating wildfires. But Foundation members, corporate sponsors, and partners continue to respond to the need for replanting.

This year, the Foundation planted more than 5.5 million trees in our nation's forests through partnerships with the U.S. Forest Service and the National Association of State Foresters, with far-reaching impact across the country.

Many of our replanting projects were focused on critical watershed restoration — effectively using trees as a strategy to improve water quality. One of those projects was the Willamette Riparian and Floodplain Restoration in Oregon. The Willamette River Basin is home to two-thirds of the state's population and supports native fish and wildlife that are central to the area's natural and cultural heritage. Population growth and land use changes in the basin over the past 150 years have had major impacts on key animal species, their habitats, and water quality. To help reverse the effects, the Arbor Day Foundation supported the planting of 100,000 trees within the river basin.

Another project focused on water quality was the Patoka River Watershed Rehabilitation and Reforestation in Indiana. The replanting areas included 40 impaired watershed areas that are important habitat for a large variety of wildlife, including some endangered species. The region was struggling because what was historically bottomland hardwood forest had been cleared for agricultural purposes. This practice led to "dead zones," where oxygen is depleted from the waters, allowing little to survive. The 19,500 trees we helped to plant will provide natural filtration and reduce the "dead zone" effect within the watersheds.

The generosity of supporters and on-the-ground-partners has made it possible for our replanting efforts to continue year after year. This year, we surpassed the milestone of planting 60 million trees.



**1976** Tree City USA launched through a partnership with the U.S. Forest Service and the National Association of State Foresters.

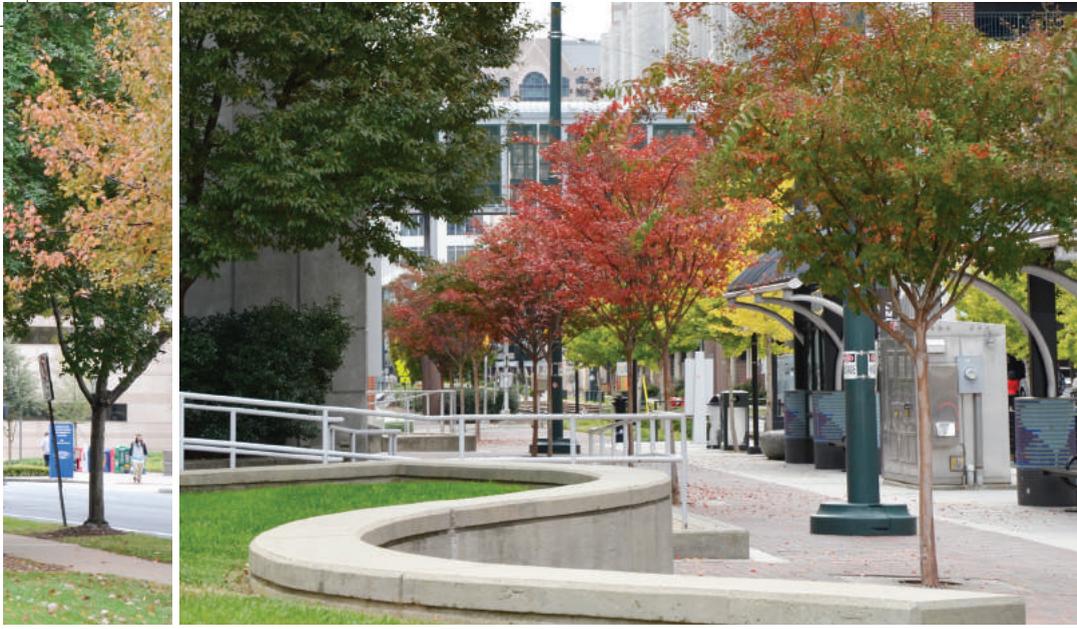
**3,478** communities (home to more than 143 million people) were designated Tree City USAs this year.



**16 COMMUNITIES** maintained their Tree City USA designation for all **40 YEARS** of the program.



*“North Dakota is home to two of the communities boasting 40 years of Tree City USA recognition — Grand Forks and Mandan.”*



The Arbor Day Foundation recognizes nearly 150 utility companies through the Tree Line USA program in honor of their commitment to proper tree pruning, planting, and care in their respective service areas. Tree Line USA, a partnership between the Foundation and the National Association of State Foresters, recognizes public and private utilities for pursuing practices that protect and enhance America's community and urban forests — and helping customers plant the right trees in the right places to save energy.

# TREE CITY USA®

## Communities reap the benefits of strong and sustainable urban forestry programs.

**W**ith the support of our members and partners, the Tree City USA program has strengthened and sustained urban forests across the country. From the Gulf of Alaska to the Gulf Coast, more than 143 million Americans are living in towns and cities that pay particular attention to tree planting, management, and care.

As a result, these communities enjoy profound environmental and community benefits, including lower energy bills, cleaner air and water, increased property values, neighborhood beauty, and civic pride. The program has become a foundation for city forestry management, and its impact is deep and far-reaching.

This year marked the 40th anniversary of Tree City USA — four decades of helping communities strive for healthy tree canopies through our four Tree City USA standards — including 16 communities celebrating Tree City USA recognition for 40 consecutive years.

One of the communities celebrating 40 years of being a Tree City USA was Philadelphia, Pennsylvania. Now dubbed the City of Arborly

Love, Philadelphia has been meeting and surpassing the four standards for recognition for four decades. Their community celebration coincided with National Arbor Day, and one of the Foundation arborists was there to present them with a commemorative plaque and see their current urban projects in action.

North Dakota is home to two of the communities boasting 40 years of Tree City USA recognition — Grand Forks and Mandan. Both celebrated the 40th anniversary of urban tree care with commemorative tree planting events involving elementary students, civic leaders, and community residents. For many young students, it was their first chance to plant a tree.

Tree City USA is the framework for sustained urban forests across the country. Thanks to our members and partners, the program's 40-year impact is broad and enduring. Within the support of this framework, additional city foresters and arborists are hired, city budgets include worthwhile investments in trees, and millions of Americans are taking pride in community improvement.



**56** outdoor classroom design consultations were completed in 2016.

**329** ACTIVE CERTIFIED CLASSROOMS have been recognized to date, including 65 new sites recognized this year, in meeting or exceeding research-based principles for creating an effective outdoor learning space.

**144**  WORKSHOPS were held to inspire thousands of educators to help children make deeper connections with the natural world.



A Collaborative Program of  
Arbor Day Foundation and  
Dimensions Educational Research Foundation

*“Nature Explore provides educators, school administrators, landscape architects, and families with research-based outdoor learning opportunities for children.”*



## NATURE EXPLORE<sup>®</sup>

Thanks to this program, children make deep connections with the natural world as an integral part of learning and living.

Children today are more likely to be disconnected from nature than ever, spending time indoors rather than playing outdoors. If current trends continue, the next generation may face greater health challenges and a diminished conservation ethic.

The Nature Explore program, a collaboration of the Arbor Day Foundation and Dimensions Educational Research Foundation, is addressing this challenge by taking nature to children. Nature Explore Classroom sites include elementary schools, child care centers, domestic violence shelters, wildlife refuge visitor centers, and other public places.

Nature Explore provides educators, school administrators, landscape architects, and families with research-based outdoor learning opportunities for children. Children in Nature Explore Classrooms learn and play amid the wonders of nature.

This year, the network of Certified Nature Explore Classrooms has continued to grow. One of the newly certified Nature Explore Classrooms is the Children's Garden at the Morton Arboretum, serving 325,000 children and their families each year.

Here in this verdant learning environment, grandparents and parents are exploring and playing right alongside the children. "This makes nature more approachable and less intimidating," explains Lesley Kolaya, manager of youth and family programs for the Children's Garden.

Like the more than 300 other certified classrooms across the country, Morton Arboretum's Children's Garden is designed to support a wide range of learning styles and abilities. And research has shown that the benefits of daily interaction with the natural world have a lasting impact, especially when instilled at an early age and supported by caring adults.

Nature Explore provides a comprehensive, field-tested program to help educators, administrators, and businesses move to nature-rich environments. The program includes Outdoor Classroom Design Consultations, workshops for educators and designers, a sourcebook of field-tested classroom components, and Nature Explore Families Club.

As the network of Nature Explore Classrooms expands, the impact on children continues to grow. As children develop meaningful connections with nature, they have a far greater opportunity to become the next generation of tree planters and environmental stewards.



Each cup of Arbor Day Foundation coffee saves  
**2 sq. FEET** of rain forest.

**371,264**  
trees were planted in  
Madagascar this year.



**64** Rain Forest Rescue projects  
have engaged the Foundation  
and our partners in 13 COUNTRIES  
since the program began.

**RAIN FOREST  
RESCUE**

*“The trees – and those who plant them – have thrived thanks to the generous support of Arbor Day Foundation members and partners.”*



## RAIN FOREST RESCUE®

Communities and families are working with the Foundation to preserve the rain forest and build a better life.

**S**aving the Earth's rain forests is a core conservation challenge. The Arbor Day Foundation's Rain Forest Rescue program is working with on-location partners on large-scale tree planting, preservation, and recovery.

Tropical rain forests have been called "the lungs of the world." They also provide the last remnants of habitat for some of our rarest animals, as well as thousands of plants yielding medicines and cures, with many more yet to be discovered.

Rain forests are also home to millions of people. Rain Forest Rescue helps these people live in harmony with the land by providing education and economic incentives for farming families to preserve and restore rain forests through sustainable agroforestry, including coffee bean production.

Our Arbor Day Foundation coffee enhances the quality of life in rain forest communities by providing growers with a fair wage, improved local infrastructure, and access to healthcare and education.

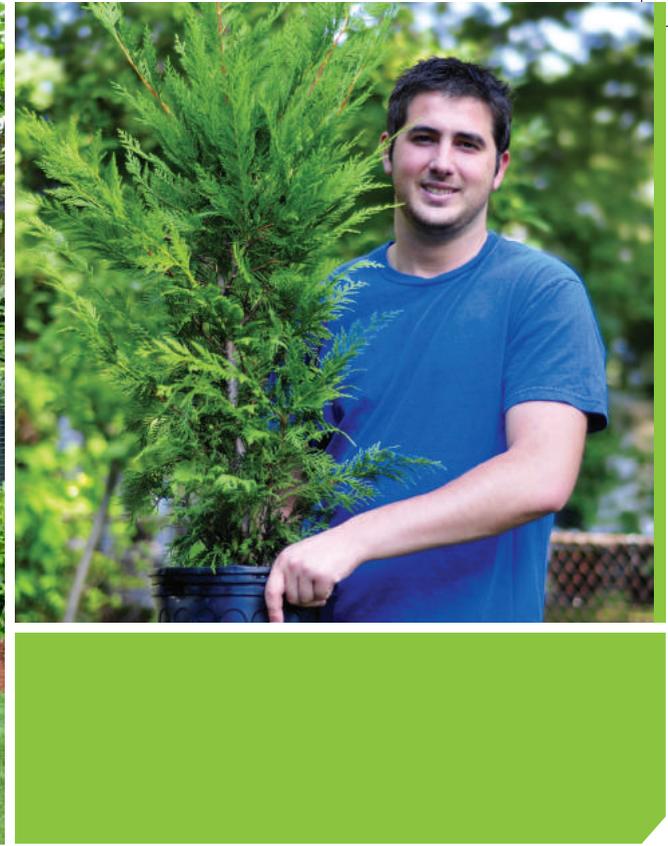
As we travel to Peru each year to ensure that the coffee we purchase is shade-grown and premium quality, we get the opportunity to meet with local farmers such as Miguel Ojeda Rodriguez. Shade-

grown coffee has been a sustainable force for his family. As we toured the farm, Miguel and his wife Clementina talked extensively about the important role trees play in their coffee production. And the family has plans for more tree planting in the future — leading to better coffee production and a healthier rain forest.

In Madagascar, Rain Forest Rescue supports a unique program initiated by Dr. Edward E. Louis, Jr. of Omaha's Henry Doorly Zoo and Aquarium. The Madagascar Biodiversity Partnership (MBP) is focused on reversing the destruction of forest habitat that is home to critically endangered lemurs and other wildlife species found nowhere else on Earth.

In addition to planting trees, this program is also creating jobs. Anjarasoa Yvette is a single mother who has been working with MBP since 2012. "Before working for MBP, I could not afford food for my family, and now I can," said Anjarasoa. "I have been able to save money to repair my house, send my two kids to school, and support my mother... This project saved my family."

The trees — and those who plant them — have thrived thanks to the generous support of Arbor Day Foundation members and partners.



**FREE ACCESS TO AN ONLINE GUIDE** where utility customers can map their property and calculate energy savings by selecting and positioning the right trees in their yards.

**50 MILLION**

shade trees properly planted in strategic, energy-saving locations could eliminate the need for seven 100-megawatt power plants.



As much as **20-50% REDUCTION IN ENERGY** used for heating and 30% reduction in air conditioning needs when trees are properly placed around households.



*The program is a recent example of the Foundation's spirit of innovation.*



# ENERGY-SAVING TREES®

Community members are strategically planting trees in partnership with local utility providers and public agencies.

**T**he Arbor Day Foundation's Energy-Saving Trees program was launched four years ago to help conserve energy, reduce peak demand, and lower utility bills through strategic tree planting.

Last year, working with 26 different partners across the country, more than 47,000 trees were distributed through the Energy-Saving Trees program. Energy-Saving Trees, the most recent example of the spirit of innovation that is core to the Foundation's continued growth, helps people through our partners to strategically plant trees. Central to the program is an interactive online tool that was created by the Foundation and the Davey Institute, a division of the Davey Tree Expert Co., and

uses peer-reviewed scientific research from the U.S. Forest Service's i-Tree software to calculate estimated energy savings benefits over time. Other benefits of planting trees include clean air, clean water, and wildlife habitat. People use the online tool to personally plot their yard as seen from satellite imagery in order to select the right tree — provided by their utility provider, municipality, or other organization — and the right place for planting that will yield the greatest energy and cost savings.

The Energy-Saving Trees program is an innovative example of how the Arbor Day Foundation works with members and partners to help people save money and energy through planting trees.

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“Last year, working with **26** different partners across the country, more than **47,000 trees** were distributed through the Energy-Saving Trees program.”

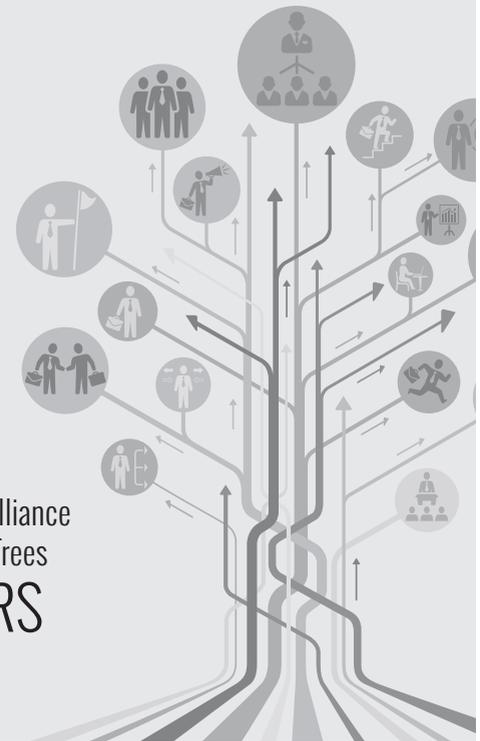
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**128** MEMBER ORGANIZATIONS dedicated to improving their TOWNS AND CITIES through trees.

More than **\$1 MILLION** passed through to member groups to support more than **65 PROJECTS.**

**456** COMMUNITY MEMBERS participated in Alliance for Community Trees **WEBINARS** this year.



*Originally founded in 1993, Alliance for Community Trees recently became the Foundation's newest program.*



## ALLIANCE FOR COMMUNITY TREES

Local nonprofit tree planting organizations across the country join together for learning and idea sharing.

**T**he newest addition to our programs is the Alliance for Community Trees. This network of community-based organizations is dedicated to improving the livability of their towns and cities through planting and care for trees.

Originally founded in 1993, Alliance for Community Trees operated independently for more than two decades. This past year, the organization merged with the Arbor Day Foundation — so that the network of local nonprofits could be fostered and supported as a program of the Foundation.

Benefits of membership include peer-to-peer learning and networking opportunities, educational webcasts, training sessions,

e-newsletters, access to additional funding, social media engagement, and a national voice for the value of trees in our communities.

In addition, annual NeighborWoods Month activities were encouraged and promoted throughout October. This year, tens of thousands of volunteers took action to make their communities greener and healthier by planting and caring for trees — keeping their neighborhoods vibrant.

With more than 90 percent of Americans living and working in towns and metropolitan areas, the need for informed action on a local level is greater than ever. As we look to the future, we see the Alliance for Community Trees as an integral part of making that happen.

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“With more than **90 percent** of Americans living and working in towns and metropolitan areas, the need for informed action on a local level is greater than ever.”

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**296** COLLEGES AND UNIVERSITIES  
are now recognized as Tree Campus USAs.

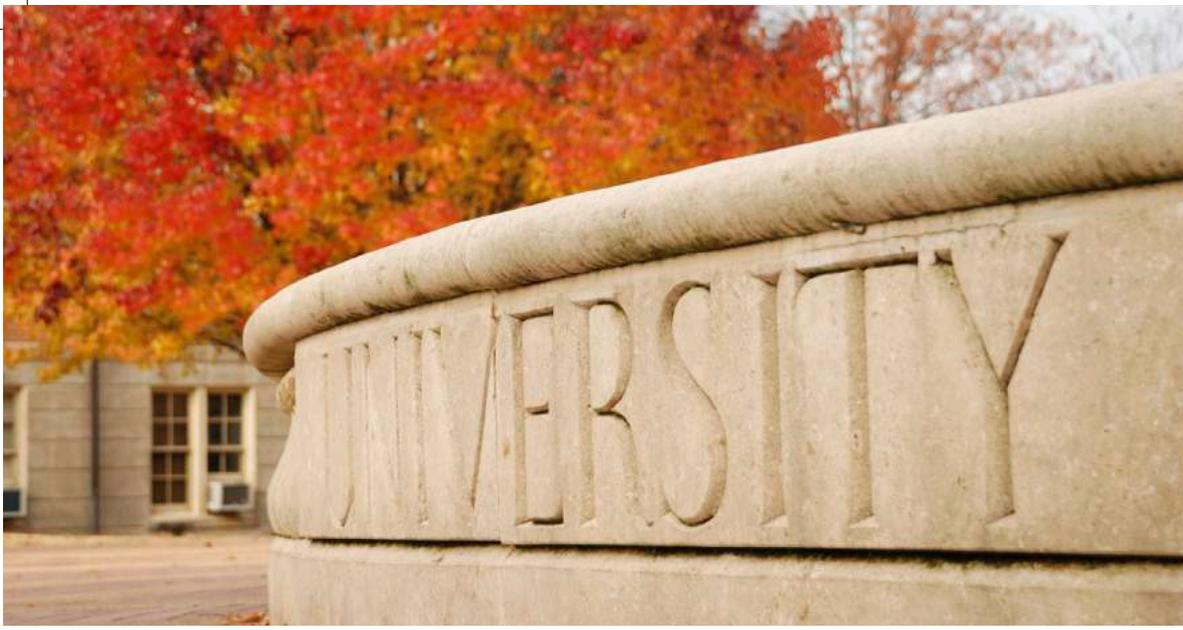
**5 CORE STANDARDS** are required for sustainable campus forestry and Tree Campus USA recognition:

-  A tree advisory committee
-  A campus tree care plan
-  Dedicated annual expenditures to the campus tree program
-  An Arbor Day observance
-  Student service-learning projects

Nearly **\$47 million** was collectively invested by Tree Campus USA colleges and universities in campus forest management last year.



*Tree Campus USA recognizes colleges and universities that practice sound tree management and care while involving students and staff in their efforts.*



## TREE CAMPUS USA®

Nearly 300 colleges and universities engage their students and neighbors to establish and maintain healthy community forests.

College campuses are an ideal home for community forests. As students feed their intellect, prepare for careers, and broaden their social networks, connecting with nature through tree planting has the potential to lay the foundation for a lifetime of environmental stewardship.

Building on the success of the Tree City USA program, the Arbor Day Foundation also recognizes campuses that practice sound tree management and care. The Foundation launched Tree Campus USA in 2008. This year, 296 colleges and universities with a combined enrollment of more than 3.6 million students received Tree Campus USA recognition.

The Foundation and Toyota sponsored tree planting events throughout the country this year to acknowledge colleges and universities for their involvement in the Tree Campus USA program and to give students and staff the opportunity to participate in campus conservation. One of the participating campuses was Virginia Tech.

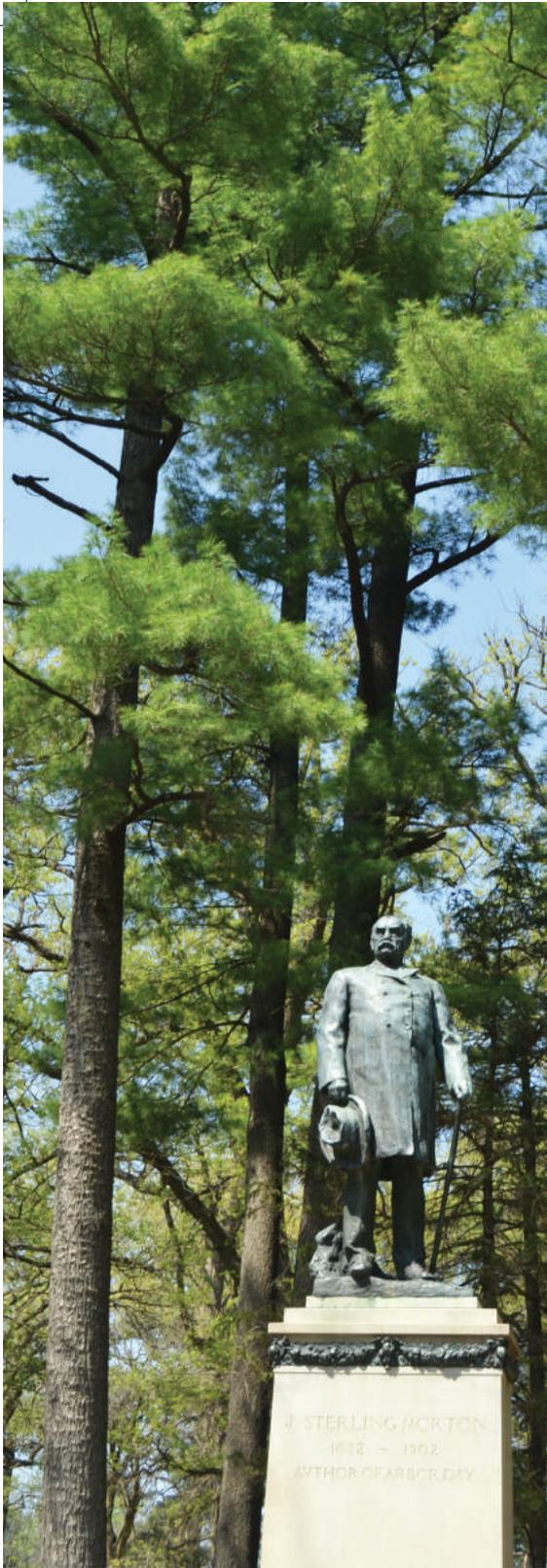
Denny Cochran, the sustainability program manager, has been integral in Virginia Tech's Tree Campus USA recognition. "Our university motto is the Latin phrase 'UT Prosim' which

means 'That I May Serve.' It is a pleasure to work and serve with the Arbor Day Foundation."

Virginia Tech became a designated Tree Campus USA in 2008 — the inaugural year of the program. That year, the university planted 100 native trees during their Sustainability Week and received a Commonwealth of Virginia Governor's Environmental Excellence Award for their efforts. "This served as a lightning rod for change," said Denny.

From that point on, tree planting events were held every fall during Sustainability Week and every spring during Earth Week. And this year was no exception. Not only the campus community but also citizens of Blacksburg get involved in these annual events.





*"J. Sterling Morton wished for each generation to do its part as trustees of the Earth."*



# CELEBRATE ARBOR DAY

After more than a century, this national holiday continues to embody the vision of J. Sterling Morton.

In 1872, Nebraskan J. Sterling Morton proposed the nation's first tree planting holiday. A century later, the Arbor Day Foundation was launched, in large part, to bring the spirit of stewardship to the forefront throughout the year.

The Foundation has grown and evolved in the past 44 years, but the mission remains the same: We inspire people to plant, nurture, and celebrate trees.

J. Sterling Morton wished for each generation to do its part as trustees of the Earth. Policies and practices to protect our air, water, and natural resources are successes to celebrate and build upon, and the Foundation has done its small part as a trustee through its many conservation, forestry, and citizen-engagement programs.

The Foundation contributes to the yearly celebration by recognizing the inspiring work of others through our Arbor Day Awards. In 2016, we recognized some of the unassuming heroes who work to advance the mission we all share.

The Arbor Day Foundation awarded Gary Johnson the 2016 Frederick Law Olmsted Award, honoring his positive impact on the environment due to a lifelong commitment to tree planting and conservation.

As the extension professor of Urban and Community Forestry at the University of Minnesota for the past 25 years, Gary has improved tree care and planting practices all across the state of Minnesota and upper Midwest. Gary has had a tremendous impact on small towns as well as large cities. The smaller communities he works with rely on agriculture and natural resources as the basis of their economy. However, many of them lack formal tree care programs. Gary supports and engages with these towns throughout Minnesota to help create solid community forestry practices.

We celebrate the many Arbor Day Award winners — shining examples of passion and purpose in planting trees for the myriad benefits that they provide to this and future generations.

## STATE ARBOR DAYS

- Alabama** Last full week in February
- Alaska** Third Monday in May
- Arizona** Third Friday in March
- Arkansas** Third Monday in March
- California** March 7-14
- Colorado** Third Friday in April
- Connecticut** Last Friday in April
- Delaware** Last Friday in April
- District of Columbia** Last Friday in April
- Florida** Third Friday in January
- Georgia** Third Friday in February
- Hawaii** First Friday in November
- Idaho** Last Friday in April
- Illinois** Last Friday in April
- Indiana** Last Friday in April
- Iowa** Last Friday in April
- Kansas** Last Friday in April
- Kentucky** First Friday in April
- Louisiana** Third Friday in January
- Maine** Third full week in May
- Maryland** First Wednesday in April
- Massachusetts** Last Friday in April
- Michigan** Last Friday in April
- Minnesota** Last Friday in April
- Mississippi** Second Friday in February
- Missouri** First Friday in April
- Montana** Last Friday in April
- Nebraska** Last Friday in April
- Nevada** Last Friday in April
- New Hampshire** Last Friday in April
- New Jersey** Last Friday in April
- New Mexico** Second Friday in March
- New York** Last Friday in April
- North Carolina** First Friday following March 15
- North Dakota** First Friday in May
- Ohio** Last Friday in April
- Oklahoma** Last full week in March
- Oregon** First full week in April
- Pennsylvania** Last Friday in April
- Rhode Island** Last Friday in April
- South Carolina** First Friday in December
- South Dakota** Last Friday in April
- Tennessee** First Friday in March
- Texas** First Friday in November
- Utah** Last Friday in April
- Vermont** First Friday in May
- Virginia** Last Friday in April
- Washington** Second Wednesday in April
- West Virginia** Second Friday in April
- Wisconsin** Last Friday in April
- Wyoming** Last Monday in April

## NATIONAL ARBOR DAY Last Friday in April



**5%** of the world commercial hazelnut crop is produced in the U.S. Expansion has been limited by harsh weather conditions and eastern filbert blight.

The Hybrid Hazelnut Consortium consists of **70+ COMBINED YEARS** OF HAZELNUT RESEARCH.

**80,000** FOUNDATION MEMBERS are engaged in The Hazelnut Project.



*“Research spans from Nebraska to the eastern U.S., Oregon and Washington. Arbor Day Foundation members are also involved in hazelnut research through the Foundation’s Hazelnut Project.”*



## CONSERVATION TREES®

Through education and communication, Americans learn how trees save energy, reduce soil erosion, and clean our waterways and air.

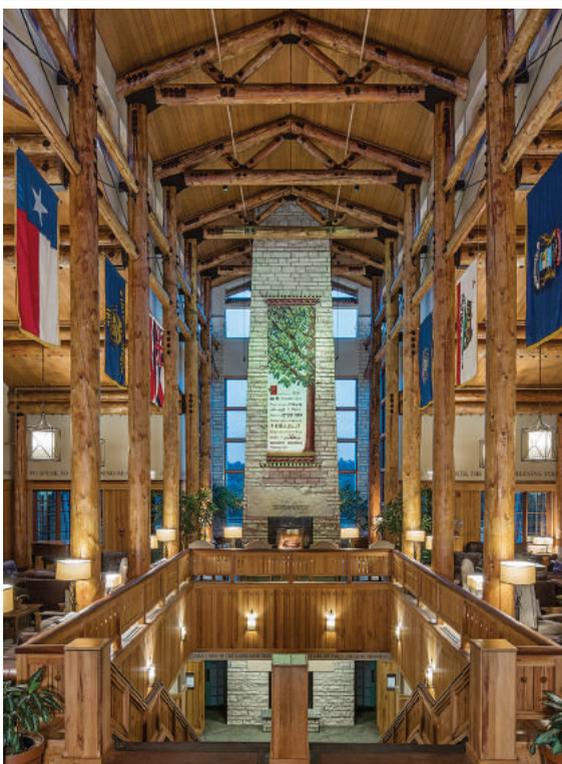
**T**he Arbor Day Foundation's Conservation Trees program encourages personal responsibility for environmental stewardship, working with farmers, ranchers, and landowners to strengthen the link between private property ownership and a greening of land conservation practices.

One of our strongest efforts this year was The Hazelnut Project. The Foundation and its Hybrid Hazelnut Consortium partners — Rutgers University, Oregon State University, and the University of Nebraska–Lincoln — are working to develop blight-resistant hybrid hazelnut plants that will thrive in a variety of soils and climates.

This year, a Consortium application for a grant through the USDA was approved. They will receive \$3 million over the next four years to continue the work. The Consortium is currently testing new hybrid hazelnut plants in the field which combine the wide adaptation, cold hardiness and eastern filbert blight-resistance of American hazelnuts with the high nut quality of European hazelnuts. The latest hybrids are a result of genetic collection, crosses and disease testing.

Research spans from Nebraska to the eastern U.S., Oregon and Washington. Arbor Day Foundation members are also involved in hazelnut research through the Foundation's Hazelnut Project. Participants deliver measurements and reports about cultivars planted throughout the nation. The results help ensure that only the highest-quality and most reliably productive plants are developed and made available to the public.



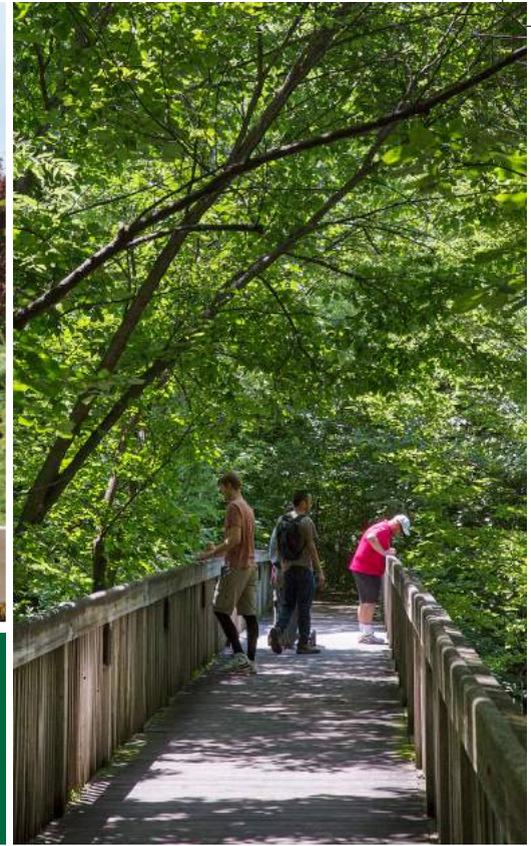


**23** ANNIVERSARY  
**YEARS**  
 of Lied Lodge & Conference Center

Nearly **50,000 visitors**  
 to the Arbor Day Farm Tree Adventure this year



*“Writers and filmmakers have used Lied Lodge as a peaceful retreat, and winners of national Arbor Day Awards gather biannually to have their good work showcased for others to emulate.”*



# ARBOR DAY FARM®

This sprawling 260 acres of J. Sterling Morton's original estate is where the Foundation's mission comes to life.

**B**uilding programs that are high-impact — life-changing, large-scale, partner-engaging, and sustainable — begins at Arbor Day Farm. The 260-acre National Historic Landmark, part of the original estate of Arbor Day Founder J. Sterling Morton in Nebraska City, Nebraska, is where the Arbor Day Foundation's mission truly comes to life.

At Arbor Day Farm's Tree Adventure attraction, visitors have a first-hand experience of orchards, vineyards, conservation demonstrations, and hands-on activities through their own exploration and by guided tours. In the spring and fall, visitors can watch team members ship many of the 6 million tree seedlings that are delivered to Foundation members across America.

For more than two decades, Lied Lodge & Conference Center at Arbor Day Farm has hosted meetings of land management agencies such as the U.S. Forest Service, state and urban foresters, international nonprofit organizations, global organizations, corporate leaders, faith-based groups, and educators. Families have also found this unique destination a place for vacations, reunions, and weddings. Writers and filmmakers have used Lied Lodge as a peaceful retreat, and winners of national Arbor Day

Awards gather biannually to have their good work showcased for others to emulate.

The impact of these gatherings has been enormous. New ideas have emerged, successful practices have been shared among colleagues from different parts of the world, and countless lessons have been taught by the world's leading experts in their respective fields.

To ensure that this kind of change continues to be sparked by Arbor Day Farm, Lied Lodge underwent a top-to-bottom renewal with the help of partner Wyndham Vacation Ownership and its network of design and construction professionals. The culmination was celebrated this year with a vine cutting ceremony. A segment of vine took the place of the traditional ribbon as dignitaries and guests gathered to celebrate the completion of the \$9 million renovation.

As we look to the future, education and environmental stewardship will be needed more than ever. We are excited that, through its recent renewal, Lied Lodge & Conference Center is poised to facilitate global environmental change.

We are grateful for the support of our members and partners in helping to position Arbor Day Farm and Lied Lodge & Conference Center for continued success now and into the future.

# Financial Statements

YEAR ENDED JUNE 30, 2016, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

The Board of Directors  
National Arbor Day Foundation  
d/b/a Arbor Day Foundation  
Lincoln, Nebraska

## Report on the Financial Statements

We have audited the accompanying financial statements of National Arbor Day Foundation d/b/a Arbor Day Foundation, which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of National Arbor Day Foundation d/b/a Arbor Day Foundation as of June 30, 2016, 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.

## Report on Summarized Comparative Information

We have previously audited National Arbor Day Foundation d/b/a Arbor Day Foundation's June 30, 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR), Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2016, on our consideration of National Arbor Day Foundation d/b/a Arbor Day Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering National Arbor Day Foundation d/b/a Arbor Day Foundation's internal control over financial reporting and compliance.

HBE Becker Meyer Love LLP  
Lincoln, Nebraska  
October 27, 2016

# Statement of Financial Position

JUNE 30, 2016, WITH COMPARATIVE TOTALS AS OF JUNE 30, 2015

ASSETS	2016	2015
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (notes A and E)	\$ 4,142,376	\$ 4,759,867
Investments (notes A, B, E, and N)	1,488,345	1,651,993
Accounts receivable (note A)	1,567,097	1,636,040
Grants receivable (note A)	880,435	755,400
Prepaid expense	290,301	323,916
Inventory (notes A and C)	1,513,140	1,243,368
Land held for sale	750,000	-
<b>Total current assets</b>	<b>10,631,694</b>	<b>10,370,584</b>
PROPERTY AND EQUIPMENT, net (notes A and D)	28,445,935	30,001,810
<b>OTHER ASSETS</b>		
Restricted cash	2,001,981	-
Construction in progress	16,161	-
Contributions receivable from charitable trusts (notes E and N)	27,099	27,927
<b>Total assets</b>	<b>\$ 41,122,870</b>	<b>\$ 40,400,321</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,245,012	\$ 1,447,991
Accrued expenses (note A)	3,353,718	3,740,982
Current maturities of long-term obligations (note G)	668,254	802,142
Current maturities of obligations under capital lease (notes A and O)	60,327	55,300
Deferred revenue (note A)	353,000	973,800
<b>Total current liabilities</b>	<b>5,680,311</b>	<b>7,020,215</b>
<b>LONG-TERM OBLIGATIONS</b>		
Deferred revenue (note A)	2,000,000	-
Long-term obligations, net of current maturities (note G)	1,977,865	2,529,292
Obligations under capital lease, net of current maturities (notes A and O)	37,204	98,080
<b>Total long-term obligations</b>	<b>4,015,069</b>	<b>2,627,372</b>
<b>OTHER LIABILITIES</b>		
Annuities payable (notes E and N)	823,816	859,786
<b>Total liabilities</b>	<b>10,519,196</b>	<b>10,507,373</b>
<b>NET ASSETS (notes A and H)</b>		
Unrestricted		
Undesignated	25,099,673	24,356,295
Designated	4,700,819	4,625,797
Temporarily restricted	762,739	870,413
Permanently restricted	40,443	40,443
<b>Total net assets</b>	<b>30,603,674</b>	<b>29,892,948</b>
<b>Total liabilities and net assets</b>	<b>\$ 41,122,870</b>	<b>\$ 40,400,321</b>

See accompanying notes to financial statements.

# Statement of Activities

YEAR ENDED JUNE 30, 2016, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

CHANGES IN NET ASSETS	2016			2015	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>Revenue and support</b>					
Membership dues	\$ 12,319,827	\$ -	\$ -	\$ 12,319,827	\$ 13,856,064
Contributions	11,013,668	16,130	-	11,029,798	13,696,187
Trees for America	4,601,368	-	-	4,601,368	4,467,959
Program grant income (note I)	2,880,752	-	-	2,880,752	2,153,534
Arbor Day Farm income	8,884,812	-	-	8,884,812	7,573,271
Rain Forest Rescue income	4,155,351	-	-	4,155,351	2,432,790
Other income (loss) (note J)	1,113,205	(123,804)	-	989,401	(124,615)
<b>Total revenue and support</b>	<b>44,968,983</b>	<b>(107,674)</b>	<b>-</b>	<b>44,861,309</b>	<b>44,055,190</b>
<b>Expenses</b>					
<i>Program services</i>					1,714,704
Tree City USA	1,798,005	-	-	1,798,005	2,912,557
Arbor Day/Youth Education	3,203,645	-	-	3,203,645	21,228
Conservation Trees	-	-	-	-	3,726,494
Rain Forest Rescue	5,589,482	-	-	5,589,482	16,728,498
Trees for America	15,063,561	-	-	15,063,561	12,614,533
Arbor Day Farm	12,898,111	-	-	12,898,111	695,133
Conference programs	739,764	-	-	739,764	
<i>Supporting activities</i>					
General and administrative	1,205,672	-	-	1,205,672	1,205,589
Membership development	2,428,061	-	-	2,428,061	2,432,742
Fundraising	1,224,282	-	-	1,224,282	994,930
<b>Total expenses</b>	<b>44,150,583</b>	<b>-</b>	<b>-</b>	<b>44,150,583</b>	<b>43,046,408</b>
INCREASE (DECREASE) IN NET ASSETS	818,400	(107,674)	-	710,726	1,008,782
<b>Net assets, beginning of year</b>	<b>28,982,092</b>	<b>870,413</b>	<b>40,443</b>	<b>29,892,948</b>	<b>28,884,166</b>
<b>Net assets, end of year</b>	<b>\$ 29,800,492</b>	<b>\$ 762,739</b>	<b>\$ 40,443</b>	<b>\$ 30,603,674</b>	<b>\$ 29,892,948</b>

See accompanying notes to financial statements.



# Statement of Functional Expenses

YEAR ENDED JUNE 30, 2016, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	Program Services							Support Activities			2016 Totals	2015 Totals	
	Tree City USA	Arbor Day/ Youth Education	Conser- vation Trees	Rain Forest Rescue	Trees for America	Arbor Day Farm	Conference Programs	Total Program Services	General and Admin- istrative	Membership Develop- ment			Fund- raising
Salaries, payroll taxes and employee benefits (note L)	\$ 931,993	\$ 619,024	\$ -	\$ 634,125	\$ 2,748,878	\$ 6,255,758	\$ 352,829	\$ 11,542,607	\$ 737,001	\$ 365,033	\$ 904,211	\$ 13,548,852	\$ 12,148,323
Contract labor	-	650	-	-	71,635	79,447	-	151,732	-	-	-	151,732	58,896
Advertising and promotion (note A)	75,351	836	-	14,313	337,761	256,064	500	684,825	38,763	915	2,899	727,402	692,511
Printing, publications, mailing and photography	78,867	569,513	-	921,632	2,560,724	241,347	24,638	4,396,721	54,498	1,037,583	75,513	5,564,315	6,533,831
Travel and mileage	37,890	92,172	-	45,249	80,542	157,426	33,415	446,694	36,478	1,922	21,401	506,495	543,444
Professional services	162,446	1,114,925	-	74,229	779,385	174,092	53,967	2,359,044	71,121	47,100	41,017	2,518,282	2,442,657
Recognition material	110	1,977	-	64	269	11,670	-	14,090	6,349	-	170	20,609	18,292
Professional development	8,079	5,289	-	5,140	15,303	12,905	4,091	50,807	4,796	2,798	4,843	63,244	42,605
Taxes	426	2	-	306	681	253,581	2	254,998	53,555	-	3,338	311,891	333,074
Repairs and maintenance	8,950	9,306	-	2,997	85,847	287,016	1,279	395,395	6,393	6,393	6,393	414,574	1,445,014
Tree purchases and shipping expenses	34,516	78,104	-	79,293	5,090,758	358	-	5,283,029	-	65,488	28,598	5,377,115	5,090,881
Rain forest preservation	-	-	-	59,249	-	-	-	59,249	-	-	-	59,249	61,506
Inventory purchases	271,822	44,390	-	2,946,103	-	1,578,218	-	4,840,533	(60)	-	739	4,841,212	3,342,690
Computer services	11,910	36,549	-	25,980	413,616	54,585	10,896	553,536	10,887	7,258	5,084	576,765	505,593
Bank charges	-	-	-	257	249,085	170,348	129	419,819	257	-	25	420,101	403,168
Insurance	6,548	7,125	-	1,871	62,671	191,715	935	270,865	4,677	6,044	4,677	286,263	265,445
Telephone and utilities	12,354	9,704	-	3,869	98,691	591,785	1,966	718,369	5,478	5,478	8,318	737,643	790,704
Postage	67,996	491,709	-	602,028	1,896,237	131,285	1,841	3,191,096	3,628	812,691	63,270	4,070,685	4,896,238
Office supplies	313	279	-	313	997	15,418	209	17,529	418	244	230	18,421	14,813
Operating supplies	3,522	1,388	-	16,557	15,714	498,350	156,434	691,965	65,261	740	602	758,568	678,957
Dues and subscriptions	1,502	1,048	-	1,216	828	17,505	217	22,316	10,548	-	501	33,365	24,989
Interest expense	-	-	-	(1,692)	109,477	-	-	107,785	(89)	13,561	-	121,257	37,076
Bad debts	-	-	-	2,253	9	307	-	2,569	-	-	-	2,569	6,731
Rental expense (note K)	1,086	5,755	-	1,086	43,654	62,293	40,613	154,487	1,629	1,005	543	157,664	151,276
Depreciation (note D)	62,111	55,209	-	62,111	272,918	1,671,193	41,407	2,164,949	82,814	48,308	41,407	2,337,478	2,125,857
Delivery expense	-	-	-	-	-	-	-	-	-	-	-	-	(62)
Miscellaneous	20,213	58,691	-	89,241	239,050	75,968	14,396	497,559	11,270	5,500	10,503	524,832	391,899
<b>TOTAL EXPENSES</b>	<b>\$ 1,798,005</b>	<b>\$ 3,203,645</b>	<b>\$ -</b>	<b>\$ 5,589,482</b>	<b>\$ 15,063,561</b>	<b>\$ 12,898,111</b>	<b>\$ 739,764</b>	<b>\$ 39,292,568</b>	<b>\$ 1,205,672</b>	<b>\$ 2,428,061</b>	<b>\$ 1,224,282</b>	<b>\$ 44,150,583</b>	
<b>TOTAL EXPENSES June 30, 2015</b>	<b>\$ 1,714,704</b>	<b>\$ 2,912,557</b>	<b>\$ 21,228</b>	<b>\$ 3,726,494</b>	<b>\$ 16,728,498</b>	<b>\$ 12,614,533</b>	<b>\$ 695,133</b>	<b>\$ 38,413,147</b>	<b>\$ 1,205,589</b>	<b>\$ 2,432,742</b>	<b>\$ 994,930</b>		<b>\$ 43,046,408</b>

See accompanying notes to financial statements.

# Statement of Cash Flows

YEAR ENDED JUNE 30, 2016, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015

	2016	2015		2016	2015
Cash flows from operating activities			Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Cash received from revenue and support	\$ 44,320,078	\$ 41,064,180	<b>Increase in net assets</b>	<b>\$ 710,726</b>	<b>\$ 1,008,782</b>
Cash paid to employees and suppliers	(42,606,114)	(40,355,950)	Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Interest received	7,401	2,358	Depreciation	2,337,478	2,125,857
Interest paid	(123,340)	(33,416)	Investment gain	75,620	(10,396)
<b>Net cash provided by operating activities</b>	<b>1,598,025</b>	<b>677,172</b>	Actuarial loss on annuities	68,970	88,493
Cash flows from investing activities			(Increase) decrease in contributions for annuity liabilities	13,916	26,252
Purchase of investments	(30,000)	(50,000)	Loss on disposal of property and equipment	-	1,084,489
Proceeds from the sale of investments	118,856	253,390	Donated property and equipment	(13,463)	(3,901,447)
Proceeds from sale of property and equipment	-	59,358	(Increase) decrease in assets		
Purchase of property and equipment	(1,444,350)	(4,745,716)	Accounts receivable	68,943	(213,637)
<b>Net cash used by investing activities</b>	<b>(1,355,494)</b>	<b>(4,482,968)</b>	Grants receivable	(125,035)	(69,586)
Cash flows from financing activities			Prepaid expense	33,615	(16,728)
Proceeds from long-term obligations	125,000	3,000,000	Inventory	(269,772)	(98,271)
Principal payments on long-term obligations	(810,317)	(342,959)	Restricted cash	(2,001,981)	-
Principal payments on capital lease	(55,849)	(18,187)	Increase (decrease) in liabilities		
Payments on annuities	(118,856)	(130,629)	Accounts payable	(292,928)	290,582
<b>Net cash provided (used) by financing activities</b>	<b>(860,022)</b>	<b>2,508,225</b>	Accrued expenses	(387,264)	355,602
Net increase (decrease) in cash	(617,491)	(1,297,571)	Deferred revenue	1,379,200	7,180
Cash and cash equivalents, beginning of year	4,759,867	6,057,438	<b>Total adjustments to increase in net assets</b>	<b>887,299</b>	<b>(331,610)</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,142,376</b>	<b>\$ 4,759,867</b>	<b>Net cash provided by operating activities</b>	<b>\$ 1,598,025</b>	<b>\$ 677,172</b>
			Supplemental disclosure of noncash information:		
			Noncash investing activities		
			Accounts payable assumed for property and equipment purchases	\$ 142,967	\$ 53,018
			In-kind donations of property and equipment	\$ 13,463	\$ 3,901,447
			Noncash financing activities		
			Equipment acquired under capital lease	\$ -	\$ 171,567

See accompanying notes to financial statements.

# Notes to Financial Statements

The National Arbor Day Foundation d/b/a Arbor Day Foundation was incorporated under the Nebraska Nonprofit Corporation Act on September 3, 1971. The purpose of the Foundation 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 Arbor Day's founder J. Sterling Morton.

## NOTE A — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Net Asset Classification.** The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Unrestricted net assets.** Net assets that are not subject to outside restrictions.

**Temporarily restricted net assets.** Net assets on which grantors or donors have placed restrictions regarding the use of the funds or the time period in which the funds can be used. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions." Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions.

**Permanently restricted net assets.** Net assets whose funds must be held indefinitely.

**Cash and Cash Equivalents.** For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with a maturity of three months or less to be cash equivalents.

**Investments.** Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Donated securities are recorded as contributions equal to the fair market value of the securities at the date of gift.

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

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

**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.

**Inventory.** Inventory is stated at the lower of cost or market determined by the first-in, first-out method.

**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. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

**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 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	20 years
Farm improvements	5-32 years
Orchards	5-20 years
Computer hardware	5-10 years
Lied Lodge & Conference Center equipment and improvements	3-30 years
Furniture and equipment	5-30 years
Computer software	5-10 years
Traveling exhibit	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 11 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 anytime. All accumulated vacation time is paid out upon termination. Accrued vacation for the years ended June 30, 2016 and 2015 was \$432,227 and \$425,470, respectively.

**Deferred Revenue.** The Foundation records program support in the period in which the costs of providing the corresponding program services are incurred. Deferred revenue consists of unearned program support for future costs of providing specific program services.

**Leases.** Assets which are acquired by lease-purchase agreements and meet the criteria of a capital lease are recorded as assets and obligations at the lesser of the following:

- (1) An amount equal to the present value, at the beginning of the lease term, of minimum lease payments during the lease term, excluding that portion of the payments representing executory costs to be paid by the lessor, together with any profit thereon.
- (2) Fair value of the leased property at the inception of the lease.

Rental payments under agreements which meet the criteria of an operating lease are expensed when paid.

**Advertising.** The Foundation expenses advertising as incurred. Advertising expense for the years ended June 30, 2016 and 2015 was \$727,402 and \$692,511, respectively.

**Shipping and Handling Costs.** The Foundation records the freight billed to customers as sales revenue and the related freight costs as cost of goods sold.

**Sales Tax.** 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.

**Functional Allocation of Expenses.** The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Fair Value Measurements.** The Financial Accounting Standards Board has issued guidance defining fair value, establishing a framework for measuring fair value and expanding disclosures about 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 the measurement date. The Foundation utilizes a fair value hierarchy 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 priority level of any input that is significant to the fair value measurement. Transfers between levels shall occur at the actual date of the event or change in circumstances that caused the transfer. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

**Income Taxes.** The 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.

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

**Comparative Financial Information.** The 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 U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

## NOTE B — INVESTMENTS

	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Investments consist of:				
Mutual funds	\$1,039,969	\$1,379,446	\$1,388,712	\$1,534,933
Agency bonds	40,330	55,572	57,158	53,519
Exchange traded funds	-	53,327	36,468	63,541
	<b>\$1,080,299</b>	<b>\$1,488,345</b>	<b>\$1,482,338</b>	<b>\$1,651,993</b>
<b>Unrealized gains</b>		<b>\$ 408,046</b>		<b>\$ 169,655</b>

## NOTE C — INVENTORY

	2016		2015	
Inventory consists of:				
Food and beverage inventory	\$	300,658	\$	313,272
Merchandise inventory		93,710		89,911
Coffee inventory		752,084		449,410
Catalog inventory		197,138		209,174
Other print inventory		72,860		78,708
Greenhouse inventory		90,607		91,443
Miscellaneous inventory		6,083		11,450
	<b>\$</b>	<b>1,513,140</b>	<b>\$</b>	<b>1,243,368</b>

## NOTE D — PROPERTY AND EQUIPMENT

	2016		2015	
Property and equipment consists of:				
Land	\$	1,419,917	\$	2,169,917
Buildings		34,523,905		33,449,401
Leasehold improvements		125,082		125,082
Farm improvements		1,546,800		1,525,445
Orchards		65,956		60,625
Computer hardware		2,236,907		2,078,552
Lied Lodge & Conference Center equipment and improvements		4,504,563		4,491,101
Furniture and equipment		3,743,539		3,620,713
Computer software		3,648,944		3,513,177
Traveling exhibit		844,724		844,724
	<b>\$</b>	<b>52,660,337</b>	<b>\$</b>	<b>51,878,737</b>
Less accumulated depreciation		(24,214,402)		(21,876,927)
	<b>\$</b>	<b>28,445,935</b>	<b>\$</b>	<b>30,001,810</b>

Depreciation expense for the years ended June 30, 2016 and 2015 was \$2,337,478 and \$2,125,857, 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, 2016 and 2015, contributions include gift annuity contracts valued at \$13,646 and \$21,139, 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:

	2016	2015
Cash and cash equivalents	\$ 59,599	\$ 12,424
Investments	1,278,269	1,432,811
	<b>\$ 1,337,868</b>	<b>\$ 1,445,235</b>

## NOTE F — REVOLVING CREDIT NOTE PAYABLE AND LETTER OF CREDIT

The Foundation has secured a revolving credit note agreement with a financial institution, which provides it may borrow up to \$2,000,000 at the bank's variable interest rate. The revolving credit note is supported by an agreement which provides for certain restrictive covenants which includes limitations on disposal of certain property and assets. The note is secured by substantially all of the assets of the Foundation. No amounts had been borrowed on the revolving credit note as of June 30, 2016 and 2015. The revolving credit note expires January 31, 2017.

In addition, the Foundation has established an irrevocable letter of credit of \$892,051 and \$890,000 as of June 30, 2016 and 2015, respectively, for securing payment drawn in favor of a USDA Forest Service agreement. The letter of credit automatically renews annually on December 31. The fee for the letter of credit is waived. There was no outstanding balance under the letter of credit as of June 30, 2016 and 2015.

## NOTE G — LONG-TERM OBLIGATIONS

Long-term obligations consist of:	2016	2015
Note payable to Union Bank & Trust Co., Lincoln, Nebraska, with 3.75% interest. Secured by substantially all of the assets of the Foundation. Payable in monthly installments of \$54,989, maturing June 17, 2020.	\$ 2,444,779	\$ 3,000,000
Note payable to Union Bank & Trust Co., Lincoln, Nebraska, with 3.95% interest. Secured by real estate in Lincoln, Nebraska and Otoe County, Nebraska. Payable in monthly installments of \$2,302, maturing on March 24, 2021.	119,336	-
Note payable to Farmers Bank, Nebraska City, Nebraska, with 7.25% interest. Secured by real estate in Nebraska City, Nebraska. Payable in monthly installments of \$2,406, maturing November 6, 2017.	36,509	63,740
Non-interest bearing note payable to the City of Lincoln, Nebraska for \$60,000 with a discounted value of \$44,000 at an imputed interest rate of 6.50%. Secured by real estate in Lincoln, Nebraska. Payable in monthly installments of \$500, maturing November 30, 2017.	8,098	13,382
	37,397	254,312
Note payable to Union Bank & Trust Co., Lincoln, Nebraska, with 4.50% interest. Secured by substantially all of the assets of the Foundation. Payable in monthly installments of \$18,671, maturing August 1, 2016.	\$ 2,646,119 (668,254)	\$ 3,331,434 (802,142)
	<b>\$ 1,977,865</b>	<b>\$ 2,529,292</b>

Less current maturities

Aggregate annual maturities of long-term obligations for the years following June 30, 2016, are as follows:

Year ending June 30,	
2017	668,254
2018	635,517
2019	647,627
2020	672,599
2021	22,122
	<b>\$ 2,646,119</b>

## NOTE H — NET ASSETS

Unrestricted, designated net assets are available for the following purposes:

	2016	2015
Board designated reserve fund (cash)	\$ 3,769,079	\$ 3,687,293
Board designated reserve fund (property)	750,000	750,000
Quasi-endowment fund	181,740	188,504
	<b>\$ 4,700,819</b>	<b>\$ 4,625,797</b>

Temporarily restricted net assets are available for the following purposes:

Split-interest agreements	\$ 506,123	\$ 612,642
Exhibition center	209,000	209,000
Earnings on permanently restricted endowment funds	14,865	16,020
Hazelnut project	32,751	32,751
	<b>\$ 762,739</b>	<b>\$ 870,413</b>

Permanently restricted net assets are to be maintained in perpetuity as an endowment fund.

## NOTE I — PROGRAM GRANTS

During the years ended June 30, 2016 and 2015, grant income consisted of:

Grant Source	Grant Purpose	2016	2015
<i>Government:</i>			
U.S. Dept. of Agriculture	Biomass Chiller	\$ 351,000	\$ -
	Alliance for Community Trees	107,759	-
	Tree City USA	245,541	204,798
	Public Service Ads	140,000	140,000
	Faces of Urban Forestry	54,444	58,976
	Energy-Saving Trees	135,000	89,653
	Nature Explore Classrooms	144,161	135,000
	Partners Conference	18,495	20,664
U.S. Dept. of Housing and Urban Development	Block Grant	-	220,400
	Nebraska State Forest Service	Biomass Chiller	350,000
<b>Government grant income</b>		<b>1,546,400</b>	<b>869,491</b>
<i>Private:</i>			
	Toyota Foundation	763,000	758,620
	PricewaterhouseCoopers	200,000	195,000
	UPS Foundation	350,000	300,000
	Others	21,352	30,423
<b>Private grant income</b>		<b>1,334,352</b>	<b>1,284,043</b>
<b>Total grant income</b>		<b>\$ 2,880,752</b>	<b>\$ 2,153,534</b>

## NOTE J — OTHER INCOME

Other income consists of:

	2016	2015
List rental income	\$ 548,226	\$ 510,758
Education materials sales	75,812	58,852
Tree City USA material sales	47,972	40,330
Conference and training	202,919	234,667
Rental income	143,248	132,563
Loss on investments	(87,650)	(64,843)
Interest income	7,401	2,358
Loss on sale or disposal of property and equipment	-	(1,084,489)
Other	51,473	45,189
	<b>\$ 989,401</b>	<b>\$ (124,615)</b>

## NOTE K — LEASES

### As Lessee

The Foundation has an agreement to lease Steinhart Lodge from the City of Nebraska City for a term of 99 years commencing June 1, 1985 for the sum of \$1. The Foundation has the option to extend the agreement for an additional term of 99 years for the total sum of \$1. Since the lease term extends beyond the economic life of the asset, the Steinhart Lodge lease has been shown as a capital addition at a value of \$297,750. Steinhart Lodge is part of Arbor Day Farm.

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. The Foundation subleased the first operating lease to another party under the same terms as the Foundation's. Under the second agreement, lease payments are \$26,400 annually through December 31, 2047.

The Foundation leases building space under an operating lease agreement. The term of the lease is from August 1, 2009 through December 31, 2018. Under the agreement, lease payments were \$23,140 annually through December 31, 2013 and \$25,396 annually from January 1, 2014 through December 31, 2018.

The Foundation leases office equipment under operating leases which expire over varying terms. The last lease is set to expire in June 2020.

The Foundation leases residential space under an operating lease agreement. The term of the lease is from August 1, 2015 through July 31, 2016. Under the agreement, lease payments are \$9,480 annually.

Rent expense for the years ended June 30, 2016 and 2015 was \$157,664 and \$151,276, respectively.

Future minimum lease payments for the years following June 30, 2016 are as follows:

Year ending June 30,	
2017	61,526
2018	60,736
2019	48,038
2020	35,340
2021	26,400
2022 and thereafter	699,600

**\$ 931,640**

### As Lessor

The Foundation leases building space to a bakery-café restaurant under an operating lease agreement. The term of the lease is from August 1, 2009 through December 31, 2018. Under the agreement, lease payments are \$97,156 annually until December 31, 2018. The tenant may extend the lease term

## NOTE K — LEASE — CONTINUED

for an additional fifteen years. The tenant is also responsible for its proportionate share of common area maintenance charges.

Rent income for the years ended June 30, 2016 and 2015 was \$143,248 and \$132,563, respectively.

Future minimum lease revenue for the years following June 30, 2016 is as follows:

Year ending June 30,	
2017	97,156
2018	97,156
2019	48,578
	<b>\$ 242,890</b>

## NOTE L — RETIREMENT PLAN

The Foundation has established a defined contribution retirement plan qualified under Section 401(k) of the Internal Revenue Code. The plan covers employees age twenty-one and over with one year and at least 1,000 hours of service. Employees may, upon hire, make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Foundation provides a matching contribution on the first three percent of contributions made by eligible employees up to a maximum of \$3,000 annually. Matching contributions were \$157,117 and \$177,155 for the years ended June 30, 2016 and 2015, respectively. Employees become vested in the matching contributions over a five year period, 20% each year.

## NOTE M — 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:

	2016	2015
Total joint costs allocated to program services	\$ 2,222,530	\$ 2,307,820
Total joint costs allocated to fundraising	730,628	576,915
	<b>\$ 2,953,158</b>	<b>\$ 2,884,735</b>

## NOTE N — 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, 2016 and 2015.

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

*Agency bonds:* Valued using independent pricing models.

*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 1.80 percent (2016) and 2.00 percent (2015) 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 3.50 percent (2016) and 3.25 percent (2015) 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.

*Lied Lodge & Conference Center equipment and improvements:* Valued using quoted prices for similar assets as provided by the vendors of such assets.

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.

The following table sets forth the balances of assets and liabilities measured at fair value on a recurring basis as of June 30, 2016 and 2015.

	2016			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<i>Investments:</i>				
Mutual funds				
Large cap	\$ 543,650	\$ 543,650	\$ -	\$ -
Large cap	43,444	43,444	-	-
Mid cap	64,903	64,903	-	-
Small cap	212,004	212,004	-	-
International	25,776	25,776	-	-
High yield bond	233,463	233,463	-	-
Intermediate-term bond	178,973	178,973	-	-
Short-term bond	25,704	25,704	-	-
World bond	51,529	51,529	-	-
Inflation-protected bond	-	-	-	-
Agency bonds	55,572	-	55,572	-
AA+/Aaa	-	-	-	-
Exchange traded funds	40,183	40,183	-	-
Domestic equity	13,144	13,144	-	-
Global equity	-	-	-	-
	<b>\$1,488,345</b>	<b>\$1,432,773</b>	<b>\$55,572</b>	<b>\$ -</b>
Contributions receivable from charitable trusts	\$27,099	-	-	\$27,099
Annuities payable	\$823,816	-	-	\$823,816



NOTE N — FAIR VALUE MEASUREMENTS — CONTINUED

2016				
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<i>Investments:</i>				
<i>Mutual funds</i>				
Large cap	\$ 655,716	\$ 655,716	\$ -	\$ -
Mid cap	47,202	47,202	-	-
Small cap	23,352	23,352	-	-
International	209,869	209,869	-	-
High yield bond	29,813	29,813	-	-
Intermediate-term bond	222,505	222,505	-	-
Short-term bond	222,370	222,370	-	-
World bond	59,058	59,058	-	-
Inflation-protected bond	59,402	59,402	-	-
Commodity	5,646	5,646	-	-
<i>Agency bonds</i>				
AA+/Aaa	53,519	-	53,519	-
<i>Exchange traded funds</i>				
Large blend	33,237	33,237	-	-
Foreign large blend	14,864	14,864	-	-
Mid cap value	15,440	15,440	-	-
	<b>\$1,651,993</b>	<b>\$1,598,474</b>	<b>\$ 53,519</b>	<b>\$ -</b>
<b>Contributions receivable from charitable trusts</b>	<b>\$27,927</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$27,927</b>
<b>Annuities payable</b>	<b>\$859,786</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$859,786</b>

The following table sets forth the balances of assets and liabilities measured at fair value on a nonrecurring basis as of June 30, 2016 and 2015.

Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>2016</b> <i>Property and equipment:</i> Lied Lodge & Conference Center equipment and improvements	<b>\$13,463</b>	<b>\$13,463</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2015</b> <i>Property and equipment:</i> Lied Lodge & Conference Center equipment and improvements	<b>\$ 3,901,447</b>	<b>\$ 3,901,447</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2016 and 2015.

	Contributions Receivable from Charitable Trusts	Annuities Payable
Balance at June 30, 2014	\$ 28,394	\$ 875,670
Annuity liabilities added	-	34,118
Annuity liabilities released	-	(7,866)
Payments on annuities	-	(130,629)
Actuarial change in split-interest agreements	(467)	88,493
<b>Balance at June 30, 2015</b>	<b>\$ 27,927</b>	<b>\$ 859,786</b>
Annuity liabilities added	-	16,354
Annuity liabilities released	-	(2,438)
Payments on annuities	-	(118,856)
Actuarial change in split-interest agreements	(828)	68,970
<b>Balance at June 30, 2016</b>	<b>\$27,099</b>	<b>\$823,816</b>



NOTE O — CAPITAL LEASE OBLIGATION

The Foundation leases equipment under a long-term capital lease. The capital lease has a three year term. Lease amortization is included in depreciation expense.

Future minimum lease payments under capitalized leases are as follows:

Year ending June 30,	
2017	\$ 60,327
2018	45,245
Total minimum lease payments	105,572
Less amounts representing interest	(8,041)
	<b>\$ 97,531</b>

The capital lease obligation is included in the statement of financial position as follows:

	2016	2015
Total capital lease obligation	\$ 97,531	\$ 153,380
Less current maturities of capital lease obligation	(60,327)	(55,300)
<b>Long-term capital lease obligation</b>	<b>\$ 37,204</b>	<b>\$ 98,080</b>

	2016	2015
Equipment	\$ 171,567	\$ 171,567
Less accumulated depreciation	(25,423)	(8,396)
	<b>\$ 146,144</b>	<b>\$ 163,171</b>

## NOTE P — INCOME TAXES

The 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 Foundation has hotel and conference center income, which is subject to tax on unrelated business income. For the years ended June 30, 2016 and 2015, 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 carryforward will expire between now and June 30, 2036 and the Nebraska carryforward will expire between now and June 30, 2021. The loss carryforwards at June 30, 2016 total \$15,415,905 Federal and \$3,438,560 Nebraska. 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 financial statements.

The Foundation's federal Returns of Organization Exempt from Income Tax (Form 990) and Exempt Organization Business Income Tax Returns (Form 990T) for June 30, 2016, 2015, and 2014 are subject to examination by the IRS, generally for three years after they were filed.

## NOTE Q — COMMITMENTS

The Foundation had open commitments to purchase coffee in the amount of \$570,870 as of June 30, 2016. All are expected to be paid during the year ending June 30, 2017.

## NOTE R — CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist principally of Short Term Federal Investment Trust (STFIT) accounts at a financial institution. The STFIT accounts are not federally insured. At June 30, 2016 and 2015, the STFIT account balances totaled \$195,040 and \$4,439,047, respectively. The Foundation has mitigated this risk by collateralizing these balances with federal agency bonds.

## NOTE S — SUBSEQUENT EVENTS

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





## EXECUTIVE MANAGEMENT TEAM

Matt Harris  
*Chief Executive*

Dan Lambe  
*President*

Yinka Akinyemi  
*Vice President Human Resources*

Britt Ehlers  
*Vice President Development  
& General Counsel*

Doug Farrar  
*Vice President Arbor Day Farm*

Karen Houser  
*Vice President Systems*

Woodrow Nelson  
*Vice President Marketing  
Communications*

## BOARD OF TRUSTEES

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*Chair*

Scott Josiah  
*Chair-Elect*

Doug Bereuter

Preston Cole

Pat Covey

Danielle Crumrine

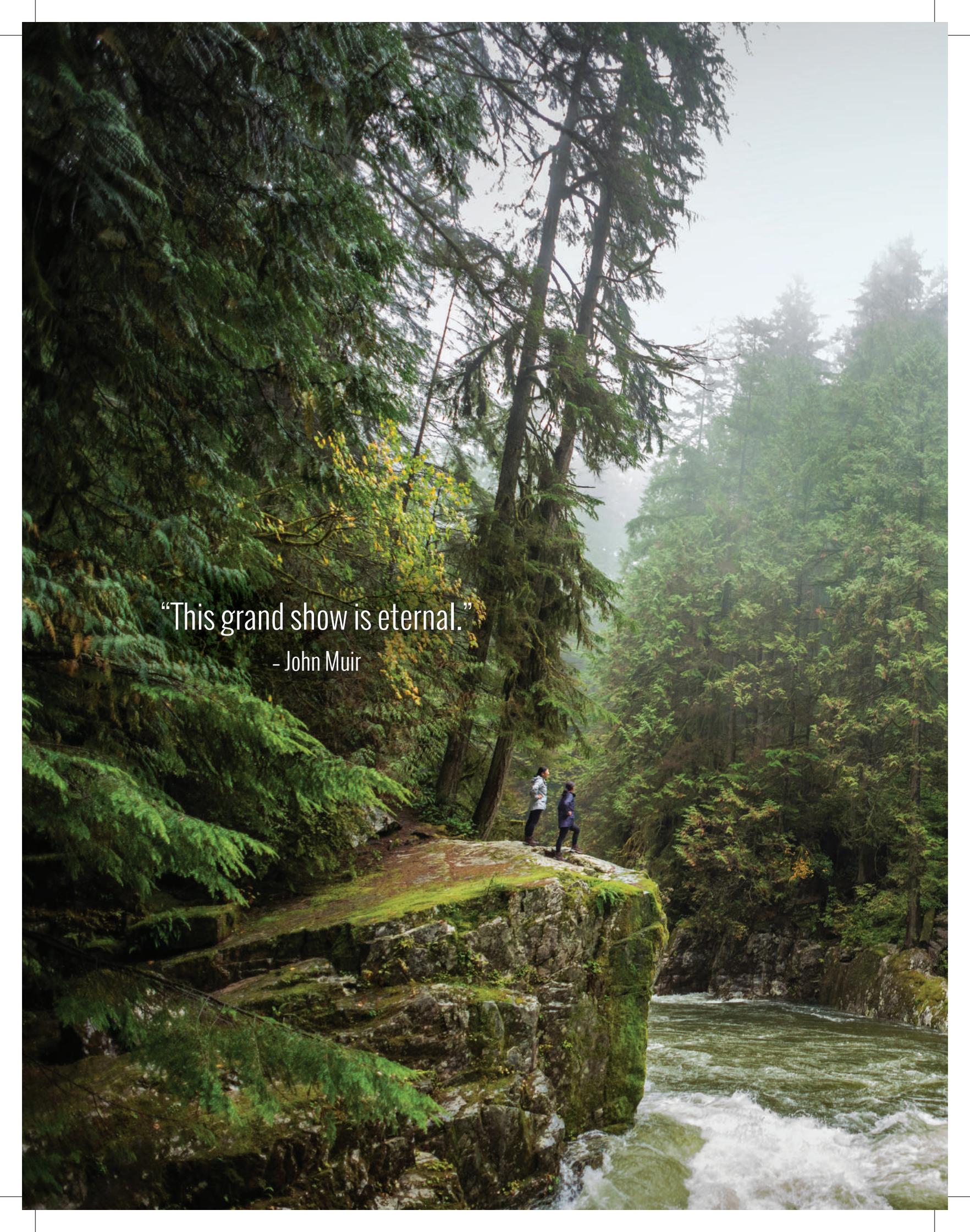
Mary Desjardins

Don Glendenning

Bill Kruidenier

Leah MacSwords

Ken Munson

A photograph of a lush forest with a river and two people on a rock. The scene is dominated by tall, dense evergreen trees. In the foreground, a large, moss-covered rock formation juts out over a river. Two people are standing on the rock, looking towards the river. The water is turbulent, creating white rapids. The background is filled with more trees, and the sky is overcast and hazy.

“This grand show is eternal.”

- John Muir





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