NATIVE PLANT TRUST, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Native Plant Trust, Inc.
Wayland, Massachusetts

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Native Plant Trust, Inc. (a Massachusetts nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Native Plant Trust, Inc. as of December 31, 2023 and 2022, and its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Native Plant Trust, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Native Plant Trust, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Native Plant Trust, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
August 23, 2024

NATIVE PLANT TRUST, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,011,103	$ 1,079,456
Short-Term Investments	1,487,306	1,350,033
Accounts Receivable, Net	220,626	219,786
Current Portion of Grants and Pledges Receivable, Net	3,288,741	816,545
Inventory	87,413	82,554
Prepaid Expenses	57,526	35,296
Total Current Assets	6,152,715	3,583,670
INVESTMENTS	9,048,786	7,772,447
GRANTS AND PLEDGES RECEIVABLE, NET OF CURRENT PORTION	146,000	2,922,502
ASSETS HELD IN CHARITABLE REMAINDER TRUSTS	1,625,185	1,436,130
BENEFICIAL INTEREST IN THIRD-PARTY TRUST	108,022	98,584
PROPERTY AND EQUIPMENT, NET	2,646,148	2,562,485
OPERATING LEASE RIGHT-OF-USE ASSET, NET OF AMORTIZATION	1,868,168	-
FINANCE LEASE RIGHT-OF-USE ASSET, NET OF AMORTIZATION	17,475	13,025
DEVELOPMENT OF WEBSITES, NET	599,480	577,710
Total Assets	$ 22,211,979	$ 18,966,553
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 230,200	$ 92,023
Accrued Expenses	83,979	79,867
Deferred Revenue	144,684	140,903
Current Portion of Annuities Payable	1,800	1,800
Current Portion of Operating Lease Liability	207,037	-
Current Portion of Finance Lease Liability	5,919	6,003
Total Current Liabilities	673,619	320,596
ANNUITIES PAYABLE, NET	7,582	8,163
OPERATING LEASE LIABILITY, NET OF CURRENT PORTION	1,701,257	-
FINANCE LEASE LIABILITY, NET OF CURRENT PORTION	11,436	6,786
DUE TO OTHER BENEFICIARIES OF CHARITABLE REMAINDER TRUSTS	1,098,296	995,709
Total Liabilities	3,492,190	1,331,254
NET ASSETS		
Without Donor Restrictions	4,857,947	4,643,776
With Donor Restrictions	13,861,842	12,991,523
Total Net Assets	18,719,789	17,635,299
Total Liabilities and Net Assets	$ 22,211,979	$ 18,966,553

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT			
Grants and Contributions	$ 1,183,983	$ 409,589	$ 1,593,572
Contributed Services	234,902	-	234,902
Membership Dues	451,052	-	451,052
Program Fees, Services, and Other Income	291,750	-	291,750
Investment Return Designated for Current Operations	310,629	-	310,629
Sales of Plant and Merchandise, Net of Cost of Goods Sold of $914,421	1,004,466	-	1,004,466
Admissions	122,290	-	122,290
Net Assets Released from Restrictions	619,690	(619,690)	-
Total Operating Revenue and Support	4,218,762	(210,101)	4,008,661
OPERATING EXPENSES			
Program Services:			
Conservation	800,814	-	800,814
Education	558,308	-	558,308
Horticulture	727,668	-	727,668
Member Services	429,342	-	429,342
Retail Shops	491,831	-	491,831
Total Program Services	3,007,963	-	3,007,963
Supporting Services:			
General and Administrative	1,126,469	-	1,126,469
Fundraising	321,978	-	321,978
Total Supporting Services	1,448,447	-	1,448,447
Total Operating Expenses	4,456,410	-	4,456,410
CHANGES IN NET ASSETS FROM OPERATIONS	(237,648)	(210,101)	(447,749)
NONOPERATING REVENUES (EXPENSES)			
Investment Returns, Net of Spending Policy	118,580	1,077,856	1,196,436
Contributions for Long-Term Purposes	-	258,926	258,926
Changes in Value of Split-Interest Agreements	(2,154)	96,427	94,273
Employee Retention Credits Revenue	-	-	-
Gain on Disposal of Property and Equipment	(17,396)	-	(17,396)
Net Assets Released from Capital and Equipment Restrictions	352,789	(352,789)	-
Total Nonoperating Revenues, Net	451,819	1,080,420	1,532,239
CHANGES IN NET ASSETS	$ 214,171	$ 870,319	$ 1,084,490

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE AND SUPPORT			
Grants and Contributions	$ 1,126,838	$ 1,803,483	$ 2,930,321
Contributed Services	412,508	-	412,508
Membership Dues	437,514	-	437,514
Program Fees, Services, and Other Income	274,967	-	274,967
Investment Return Designated for Current Operations	288,858	-	288,858
Sales of Plant and Merchandise, Net of Cost of Goods Sold of $419,991	757,969	-	757,969
Admissions	127,828	-	127,828
Net Assets Released from Restrictions	442,267	(442,267)	-
Total Operating Revenue and Support	3,868,749	1,361,216	5,229,965
OPERATING EXPENSES			
Program Services:			
Conservation	1,057,392	-	1,057,392
Education	374,821	-	374,821
Horticulture	770,826	-	770,826
Member Services	282,823	-	282,823
Retail Shops	424,129	-	424,129
Total Program Services	2,909,991	-	2,909,991
Supporting Services:			
General and Administrative	898,793	-	898,793
Fundraising	262,843	-	262,843
Total Supporting Services	1,161,636	-	1,161,636
Total Operating Expenses	4,071,627	-	4,071,627
CHANGES IN NET ASSETS FROM OPERATIONS	(202,878)	1,361,216	1,158,338
NONOPERATING REVENUES (EXPENSES)			
Investment Returns, Net of Spending Policy	17,919	(1,788,732)	(1,770,813)
Contributed Services for Website Development	53,150	-	53,150
Contributions for Long-Term Purposes	-	324,982	324,982
Changes in Value of Split-Interest Agreements	(1,520)	(92,821)	(94,341)
Employee Retention Credits Revenue	416,869	-	416,869
Net Assets Released from Capital and Equipment Restrictions	262,867	(262,867)	-
Total Nonoperating Revenues (Expenses), Net	749,285	(1,819,438)	(1,070,153)
CHANGES IN NET ASSETS	$ 546,407	$ (458,222)	$ 88,185

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services						Supporting Services		
	Conservation	Education	Horticulture	Member Services	Retail Shops	Total Program Services	General and Administrative	Fundraising	Total
Salaries and Benefits	$ 411,212	$ 343,173	$ 462,756	$ 316,833	$ 307,771	$ 1,841,745	$ 494,427	$ 221,109	$ 2,557,281
Professional and Consultant Services	269,387	122,470	65,127	7,288	8,153	472,425	276,774	33,113	782,312
Operating Expenses	57,466	76,361	86,617	98,174	152,912	471,530	81,607	60,006	613,143
Property and Occupancy	11,441	13,638	78,018	7,047	19,023	129,167	67,239	7,750	204,156
Plant and Merchandise Expense	-	-	-	-	913,674	913,674	-	-	913,674
Insurance	-	-	-	-	-	-	61,019	-	61,019
Depreciation and Amortization	51,308	2,666	35,150	-	3,972	93,096	145,403	-	238,499
Subtotal	800,814	558,308	727,668	429,342	1,405,505	3,921,637	1,126,469	321,978	5,370,084
Less: Cost of Plant and Merchandise Sales	-	-	-	-	913,674	913,674	-	-	913,674
Total Operating Expenses	$ 800,814	$ 558,308	$ 727,668	$ 429,342	$ 491,831	$ 3,007,963	$ 1,126,469	$ 321,978	$ 4,456,410

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services						Supporting Services		
	Conservation	Education	Horticulture	Member Services	Retail Shops	Total Program Services	General and Administrative	Fundraising	Total
Salaries and Benefits	$ 508,530	$ 173,004	$ 528,418	$ 167,434	$ 250,132	$ 1,627,518	$ 479,968	$ 190,409	$ 2,297,895
Professional and Consultant Services	473,531	117,784	33,280	6,236	4,058	634,889	211,699	1,688	848,276
Operating Expenses	32,746	54,598	67,848	102,120	145,977	403,289	57,182	62,815	523,286
Property and Occupancy	14,379	8,276	67,777	7,033	19,990	117,455	24,633	7,931	150,019
Plant and Merchandise Expense	-	-	-	-	699,254	699,254	-	-	699,254
Insurance	-	-	-	-	-	-	48,849	-	48,849
Depreciation and Amortization	28,206	21,159	73,503	-	3,972	126,840	76,462	-	203,302
Subtotal	1,057,392	374,821	770,826	282,823	1,123,383	3,609,245	898,793	262,843	4,770,881
Less: Cost of Plant and Merchandise Sales	-	-	-	-	699,254	699,254	-	-	699,254
Total Operating Expenses	$ 1,057,392	$ 374,821	$ 770,826	$ 282,823	$ 424,129	$ 2,909,991	$ 898,793	$ 262,843	$ 4,071,627

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENTS OF CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	Without Donor Restrictions	With Donor Restrictions	Total
NET ASSETS - DECEMBER 31, 2021	$ 4,097,369	$ 13,449,745	$ 17,547,114
Changes in Net Assets	546,407	(458,222)	88,185
NET ASSETS - DECEMBER 31, 2022	4,643,776	12,991,523	17,635,299
Changes in Net Assets	214,171	870,319	1,084,490
NET ASSETS - DECEMBER 31, 2023	$ 4,857,947	$ 13,861,842	$ 18,719,789

See accompanying Notes to Financial Statements.

NATIVE PLANT TRUST, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	$ 1,084,490	$ 88,185
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	144,658	147,234
Amortization	93,841	56,068
Contributions for Endowment	(340,170)	(253,602)
Amortization of ROU Assets - Financing	116	(236)
Adjustment of ROU Assets - Operating, net of Amortization	40,126	-
Contributed Services for Development of Website	-	(53,150)
Discount on Grants and Pledges Receivable	(18,949)	18,949
Net Realized and Unrealized (Gain) Loss on Investments	(1,249,036)	1,681,414
Changes in Value of Split-Interest Agreements	(94,272)	(205,283)
Loss on Sale of Property and Equipment	17,396	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(840)	(120,606)
Grants and Pledges Receivable	323,255	(580,839)
Inventory	(4,859)	(12,701)
Prepaid Expenses	(22,230)	17,872
Accounts Payable	138,177	(1,975)
Accrued Expenses	4,112	10,908
Deferred Revenue	3,781	2,213
Annuity Payable	(2,215)	(2,215)
Net Cash Provided by Operating Activities	117,381	792,236
CASH FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(245,717)	(164,381)
Purchases for Development of Websites	(115,611)	(93,451)
Purchases of Investments	(11,089,249)	(914,715)
Proceeds from Sales of Investments	10,924,673	334,970
Net Cash Used by Investing Activities	(525,904)	(837,577)
CASH FROM FINANCING ACTIVITIES		
Cash Collected for Endowment	340,170	253,602
Net Cash Provided by Financing Activities	340,170	253,602
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(68,353)	208,261
Cash and Cash Equivalents - Beginning of Year	1,079,456	871,195
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,011,103	$ 1,079,456

See accompanying Notes to Financial Statements.

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Native Plant Trust, Inc., a Massachusetts nonprofit corporation (NPT or the Organization) was founded in 1900 and incorporated in March 1932. Its mission is to conserve and promote New England's native plants to ensure healthy, biologically diverse landscapes. NPT saves plants in the wild, grows them for gardens and restorations, and educates others on their value and use.

In February 2022, the board of trustees approved a new 15-year vision, which articulates the organization's leadership role in native plant conservation, horticulture, and education and focuses on addressing the twin environmental crises of our era—climate change and the loss of biodiversity. The vision is the framework for a series of five-year strategic plans, starting with one created in 2023. They will have as overarching goals:

- Inspiring people to appreciate, learn about, and act on behalf of native plants
- Harnessing the power of cutting-edge research, science, and technology to conserve and grow native plants
- Collaborating with people who have diverse cultural perspectives on plant life
- Saving the globally and regionally rare plant species in New England
- Securing plant diversity as the climate changes by strategically conserving the region's land
- Restoring degraded sites or declining habitats using plants grown from local seed without pesticides
- Inspiring people to see private gardens and public spaces as part of nature and to create places full of native plants that support all forms of life.

Nonprofit Status

NPT is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code (IRC). NPT is also exempt from state income taxes. Donors may deduct contributions made to NPT within the requirements of the IRC.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Program fees, services, and other income are recorded as services are provided. A portion of membership dues is considered to be a contribution to NPT. The portion of contribution revenue is recognized when the dues are paid, and the portion related to dues are recognized ratably over the terms of the memberships. Membership dues revenue, including the contribution, are included in membership revenue on the statements of activities.

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Unearned membership revenue is reflected as deferred revenue on the statements of financial position. Revenue recognized over time includes admissions, course fees, lectures, tours, and rental of classroom space.

The following table shows NPT's program fees, services, and other income disaggregated according to the timing of the transfer of goods or services:

	2023	2022
Revenue Recognized Over Time:		
Course Fees	$ 211,032	$ 175,692
Membership Revenue	451,052	437,514
Total Revenue Recognized over Time	$ 662,084	$ 613,206

	2023	2022
Revenue Recognized at a Point in Time:		
Services and Lectures	$ 56,778	$ 83,626
Admissions	122,290	127,828
Miscellaneous Revenue	23,940	15,649
Total Revenue Recognized at a Point in Time	$ 203,008	$ 227,103

The gross margin on plant and merchandise sales is recorded upon exchange of the goods sold and reported net of cost of sales as follows:

	2023		
	Plants	Merchandise	Total
Gross Sales	$ 1,730,052	$ 188,088	$ 1,918,140
Cost of Sales	(825,858)	(87,816)	(913,674)
Total	$ 904,194	$ 100,272	$ 1,004,466

	2022		
	Plants	Merchandise	Total
Gross Sales	$ 1,324,048	$ 133,175	$ 1,457,223
Cost of Sales	(624,229)	(75,025)	(699,254)
Total	$ 699,819	$ 58,150	$ 757,969

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The following table shows the beginning and ending balances of contract assets and liabilities as of December 31:

	2023	2022
Accounts Receivable - Beginning Balance	$ 219,786	$ 99,180
Accounts Receivable - Ending Balance	220,626	219,786
Deferred Revenue - Beginning Balance	$ 140,903	$ 138,690
Deferred Revenue - Ending Balance	144,684	140,903

A portion of NPT's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditional based on certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when NPT has incurred expenditures in compliance with specific contract or grant provisions.

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give—that is, those with a measurable performance or other barrier and a right of return—are not recognized until the conditions on which they depend have been met. NPT observes a policy of releasing net assets restricted for capital projects at the time the capital expenditures are incurred.

The Organization is and may be named principal or income beneficiary of certain trusts and wills, in addition to those described in Note 6 and Note 7. The amounts to be received, if any, cannot be determined by NPT and, therefore, are not reflected in the accompanying financial statements.

Revenues are reported as increases in net assets without donor restrictions unless use of related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, other than endowment and similar funds, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of time restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor-imposed restrictions whose restrictions are met in the same reporting period as the contribution is made are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, management considers all highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable consist primarily of noninterest-bearing amounts due from program services and credit card sales. NPT determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible.

Inventory

Merchandise inventories are valued using the retail inventory method, which involves pricing individual items at current selling prices and reducing such amounts to the lower of cost or net realizable value by the application of markup rates. NPT records the plant inventories at the lower of cost or market using a first-in, first-out (FIFO) convention.

Inventory consists of the following at December 31:

	2023	2022
Merchandise	$ 75,443	$ 70,542
Plants	16,970	17,012
Subtotal	92,413	87,554
Less: Inventory Reserve	(5,000)	(5,000)
Total	$ 87,413	$ 82,554

Fair Value Measurements

NPT has adopted the *Fair Value Measurements and Disclosures* standards. These standards define fair value, establish a framework for measuring fair value under accounting principles generally accepted in the United States of America, and mandate disclosures about fair value measurements. These standards establish a fair value framework that prioritizes the inputs and assumptions used to measure fair value.

The three levels of the fair value framework under these standards are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets and liabilities at the measurement date.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable.

A qualifying asset or liability's level within the framework is based upon the lowest level of any input that is significant to the fair value measurement.

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment and Depreciation

Purchased property and equipment are recorded at cost (see Note 4) if the asset is tangible and complete, used in operations, has a useful life greater than one year, and a value greater than $2,500. Donated property and equipment are recorded at fair market value at the time of donation. Renewals and betterments are capitalized, while repairs and maintenance are expensed as they are incurred. Long lived assets are reviewed for impairment and, if an impairment is identified, a loss would be recorded to reflect declines in the net realizable value of property and equipment.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Land Improvements	20 Years
Building	40 Years
Furniture, Fixtures, and Equipment	3 to 10 Years
Building Improvements	5 to 40 Years

Development of Websites

Website development costs and software development costs are being amortized over a five-year period using the straight-line method. For the years ended December 31, 2023 and 2022, amortization expense was $90,107 and $39,927, respectively.

Leases

NPT determines if an arrangement is a lease at inception. NPT has leases under which it is obligated as a lessee. Operating leases are included in right-of-use (ROU) assets and lease liabilities in the statements of financial position. Finance leases are included in ROU assets – financing and lease liability – financing in the statements of financial position.

ROU assets represent the NPT's right to use an underlying asset for the lease term, and lease liabilities represent the NPT's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term using an appropriate incremental borrowing rate.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, NPT has elected to use a risk-free discount rate (applicable US Department of Treasury risk-free treasury rate) determined using a period comparable with that of the lease term for computing the present value of lease liabilities. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the NPT will exercise that option. Lease costs for operating lease payments is recognized on a straight-line basis over the lease term.

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annuities Payable

Annuities payable represents obligations to donors under charitable gift agreements where donors receive fixed lifetime annuities in exchange for their gifts (see Note 8).

Advertising Costs

Advertising costs are expensed as incurred by NPT. Advertising costs for the years ended December 31, 2023 and 2022 were $51,262 and $45,873, respectively.

Contributed Services

NPT reports revenue for the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing those skills, and represent services that would have been purchased had they not been donated. NPT received services for the conservation and horticulture programs that includes monitoring the status of rare and endangered plants, collecting seeds, propagating plants, reviewing data to set conservation priorities, and software engineering. The value of all but the software engineering services were estimated using rates published by Independent Sector. Contributed services for program purposes in the amount of $234,902 and $465,658 were recognized for the years ended December 31, 2023 and 2022, respectively, including $-0- in 2023 and $53,150 in 2022 for development of a conservation database and website.

Net Assets

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. NPT has grouped its net assets without donor restrictions into the following categories:

- **Operating Net Assets** represents funds available to carry on the general operations of NPT.

- **Board-Designated Net Assets** represents funds set aside by the board for specific purposes according to the signed accounting policy. In both 2023 and 2022, board-designated amounts are for future capital improvements.

- **Property and Equipment Net Assets** reflects and accounts for the activities relating to NPT's property and equipment.

- **Development of Website's Net Assets** reflects and accounts for the activities relating to the development of NPT's website and Go Botany website.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature when the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE 1 OPERATIONS, NONPROFIT STATUS, AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

NPT reports certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, property, and occupancy, which are both allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Adoption of New Accounting Standards

At the beginning of 2023, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Organization adopted this new guidance utilizing the modified retrospective transition method. The adoption of the Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

Accounting for Uncertainty in Income Taxes

NPT follows the *Accounting for Uncertainty in Income Taxes* standard, which requires NPT to report uncertain tax positions, related interest and penalties, and to adjust its assets and liabilities related to unrecognized tax benefits and accrued interest and penalties accordingly. As of December 31, 2023 and 2022, NPT determined there are no material unrecognized tax benefits to report.

Subsequent Events

Subsequent events have been evaluated through August 23, 2024, the date the financial statements were available to be issued.

NOTE 2 ACCOUNTS RECEIVABLE

Accounts receivable consist of program receivables and other receivables. NPT's accounts receivable at December 31 are as follows:

	2023	2022
Accounts Receivable	$ 223,061	$ 222,221
Less: Reserve for Accounts Receivable	(2,435)	(2,435)
Total	$ 220,626	$ 219,786

NOTE 3 GRANTS AND PLEDGES RECEIVABLE

Grants and pledges receivable consist of grants and pledges made to NPT payable in future years. NPT's grants and pledges receivable at December 31 are as follows:

	2023	2022
Grants and Pledges Receivable	$ 3,491,589	$ 3,814,844
Less: Discount (Using Rates 3.88%)	(56,848)	(75,797)
Total	$ 3,434,741	$ 3,739,047

The reserve for bad debts is based on collection experience and other circumstances that may affect the ability of donors to meet their obligations. Amounts are written off when they are determined to be uncollectible.

In 2017, NPT was named a remainder man in a charitable remainder unitrust that upon termination, calls for a distribution of the residual to NPT. If the residual is not sufficient to cover $3,000,000, then the original donor has pledged to fund the difference. Accordingly, NPT has reflected this transaction as contribution revenue and a pledge receivable to recognize the intended assets to be transferred to NPT at the end of the trust period.

Grants and pledges receivable are estimated to be collected as follows:

	2023	2022
One Year	$ 3,288,741	$ 816,545
Two to Five Years	202,848	2,998,299
Total	$ 3,491,589	$ 3,814,844

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2023	2022
Land	$ 962,966	$ 962,966
Buildings	3,515,542	3,362,073
Furniture, Fixtures, and Equipment	651,984	614,211
Land Improvements	689,891	681,825
Subtotal	5,820,383	5,621,075
Less: Accumulated Depreciation	(3,174,235)	(3,058,590)
Total	$ 2,646,148	$ 2,562,485

Depreciation expense for the years ended December 31, 2023 and 2022 was $238,499 and $203,302 respectively.

NOTE 5 INVESTMENTS

NPT records its investments at fair value. Interest, dividends, and mutual fund distributions are recorded when earned. Gains and losses are recognized as incurred upon sale or based on fair value changes during the period. Investment income is allocated to the endowment funds based on beginning of the year asset allocation (see Note 11).

Investments include endowment funds. Accordingly, these investments have been classified as noncurrent assets in the accompanying statements of financial position regardless of maturity or liquidity, consistent with NPT's intent.

NPT's endowment has been invested in a portfolio of index mutual funds, exchange traded funds, money market, and stocks which are not insured and are subject to ongoing market fluctuations. The board approved the asset allocation recommendation of the investment committee that a consistent allocation of funds among asset classes would result in competitive performance and reduced costs.

The investment committee meets periodically to review the target allocation among asset classes and to decide the degree to which the total portfolio should be re-balanced toward those targets.

The target allocation is as follows:

Liquid Reserves	0% to 5%
Fixed Income	25% to 35%
Equities	65% to 75%

NOTE 5 INVESTMENTS (CONTINUED)

The following is a summary of the investment portfolio and unrealized appreciation as of December 31:

	2023		
	Cost	Fair Value	Unrealized Appreciation
EQUITY			
Mutual Funds:			
Vanguard Total International Stock Index Fund Admiral	$ 1,805,237	$ 1,842,922	$ 37,685
Vanguard Total Stock Market Index Fund Institutional	4,162,660	4,396,507	233,847
Total Mutual Funds - Equity	5,967,897	6,239,429	271,532
FIXED INCOME			
Mutual Funds:			
Vanguard Total Bond Market Index Fund Admiral	1,257,727	1,293,700	35,973
Vanguard Intermediate-Term Investment Grade Fund Admiral	444,630	462,487	17,857
Vanguard Long-Term Investment Grade Fund Admiral	252,895	267,828	14,933
Vanguard Short-Term Investment Grade Fund Admiral	557,875	569,559	11,684
Total Mutual Funds - Fixed Income	2,513,127	2,593,574	80,447
MONEY MARKET ACCOUNTS	1,703,089	1,703,089	-
Total	$ 10,184,113	$ 10,536,092	$ 351,979

NOTE 5 INVESTMENTS (CONTINUED)

	2022		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
EQUITY			
Mutual Funds:			
Fidelity Total Market Index Fund	$ 1,897,284	$ 3,571,742	$ 1,674,458
Fidelity Internatl Index Fund	982,402	1,038,361	55,959
Fidelity Internatl Index Fund	-	-	-
Total Mutual Funds - Equity	2,879,686	4,610,103	1,730,417
Exchange Traded Funds - Equity	2,207,587	2,017,009	(190,578)
Total Equity	5,087,273	6,627,112	1,539,839
FIXED INCOME			
Mutual Funds:			
Vanguard Total Bond Market Index Admiral	412,049	379,841	(32,208)
Vanguard Intermed Trm Invst Gr Invest	97,496	87,950	(9,546)
Vanguard Short Term Corporate Bond	315,000	305,862	(9,138)
Total Mutual Funds - Fixed Income	824,545	773,653	(50,892)
MONEY MARKET ACCOUNTS	1,721,715	1,721,715	-
Total	$ 7,633,533	$ 9,122,480	$ 1,488,947

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31:

	2023	2022
Interest and Dividends	$ 258,029	$ 199,459
Net Realized Gains	2,386,859	137,507
Net Unrealized Losses	(1,137,823)	(1,818,921)
Total Investment Returns	1,507,065	(1,481,955)
Less: Investment Return Designated for Operations	310,629	288,858
Investment Returns, Net of Spending Policy	$ 1,196,436	$ (1,770,813)

NOTE 6 ASSETS HELD UNDER CHARITABLE REMAINDER TRUSTS

NPT has been designated as trustee for three trusts, which are presented in the statements of financial position as Assets Held in Charitable Remainder Trusts. The fair value of assets held by the trusts is reported as an asset. The asset is offset by a liability presented in the statements of financial position as Due to Other Beneficiaries of Charitable Remainder Trusts for the estimated payments due to those other beneficiaries.

The interests in the charitable remainder trusts are valued using investment market values, as well as discount rates and assumptions about donor life expectancies.

NOTE 7 BENEFICIAL INTEREST IN NET ASSETS OF THIRD-PARTY TRUST

NPT has an interest in a trust managed by an independent third-party trustee, which is presented in the statements of financial position as Beneficial Interest in Third-Party Trust. NPT has legally enforceable rights or claims to such assets, including the right to income therefrom. However, the trust documents governing the distributions of income provide that should NPT depart from its original exempt purposes, the trustee could remove NPT as beneficiary. NPT does not have variance power over the trust's portfolio.

The interest in the charitable remainder trust is estimated based on the fair value of the underlying investments held by the trust, as well as a discount rate and assumption about the donor's life expectancy.

NOTE 8 ANNUITIES PAYABLE

NPT has entered into several charitable gift annuity agreements where donors make contributions to NPT in exchange for fixed lifetime annuities (also see Note 1). The estimated present value of the future payments to the donors is recorded as a liability. The balance of the liability as of December 31, 2023 and 2022 was $9,382 and $9,963, respectively. The value and future minimum payments of annuities payable are determined based upon the life expectancy of the donor and discounted using a rate of 1.80%.

NOTE 9 RESTRICTIONS AND LIMITATION ON NET ASSET BALANCES

As of December 31, NPT's net assets without donor restrictions were allocated as follows:

	2023	2022
Operating	$ 1,603,709	$ 1,483,247
Board-Designated for Capital Expenditures	8,610	20,334
Property and Equipment	2,646,148	2,562,485
Development of Websites, Net	599,480	577,710
Total	$ 4,857,947	$ 4,643,776

NOTE 9 RESTRICTIONS AND LIMITATION ON NET ASSET BALANCES (CONTINUED)

As of December 31, NPT's net assets with donor restrictions were allocated as follows:

	2023	2022
Donor-Restricted Net Assets not Invested in Perpetuity:		
Conservation Restrictions	$ 107,022	$ 313,806
Horticulture Restrictions	155,725	174,218
Capital Restrictions	497,276	550,898
Communications and Branding	-	15,326
Public Programs	217,110	505,722
Technology	9,735	6,115
Accumulated Earnings on Endowment Funds	2,913,910	1,813,314
Assets Held Under Trusts	502,523	440,421
Total	$ 4,403,301	$ 3,819,820
Donor-Restricted Net Assets Invested in Perpetuity the Income from Which is Expended for:		
General Endowment Fund	$ 1,058,660	$ 1,058,660
Conservation Endowment Fund	2,131,408	2,131,408
Garden in the Woods Endowment Fund	752,143	735,593
Seed Ark Endowment Fund	1,067,948	845,101
Intern Endowment Funds	958,385	958,385
The Future Fund	200,817	100,044
Sanctuaries Endowment Funds	55,731	55,731
Other:		
Charitable Remainder Trusts	233,449	188,751
Pledge Receivable	3,000,000	3,098,030
Total	$ 9,458,541	$ 9,171,703

Donors have established funds for NPT in community foundations around New England, which are not included in the accompanying statements of financial position, because the community foundations generally maintain variance power over usage and distribution of funds. These funds generally receive small donations on an annual basis.

Net assets during the years ended December 31 were released from donor restrictions for the following purposes:

	2023	2022
Purpose Restriction	$ 619,690	$ 442,267
Capital and Equipment Restrictions	352,789	262,867
Total	$ 972,479	$ 705,134

NOTE 10 FAIR VALUE MEASUREMENTS

NPT uses fair value measurements to record fair value adjustments to assets to determine fair value disclosures. The assets and liabilities recorded at fair value are adjusted and disclosed based on the measurements disclosed in Note 1.

The following tables present NPT's fair value hierarchy for those assets and (liabilities) measured at fair value on a recurring basis as of December 31:

	2023		
	Level 1	Level 2	Level 3
Investments (See Note 5)	$ 10,536,092	$ -	$ -
Assets Held Under Charitable Remainder Trusts:			
Equity	$ 1,143,569	$ -	$ -
Fixed Income	481,616	-	-
Money Market	-	-	-
Assets Held Under Charitable Remainder Trusts Total	$ 1,625,185	$ -	$ -
Due to Other Beneficiaries of Charitable Remainder Trusts	$ -	$ -	$ (1,098,296)
Beneficial Interest in Third-Party Trust	$ -	$ -	$ 108,022
Annuities Payable	$ -	$ -	$ (9,382)

	2022		
	Level 1	Level 2	Level 3
Investments (See Note 5)	$ 9,122,480	$ -	$ -
Assets Held Under Charitable Remainder Trusts:			
Equity	$ 984,033	$ -	$ -
Fixed Income	411,753	-	-
Money Market	40,344	-	-
Assets Held Under Charitable Remainder Trusts Total	$ 1,436,130	$ -	$ -
Due to Other Beneficiaries of Charitable Remainder Trusts	$ -	$ -	$ (995,709)
Beneficial Interest in Third-Party Trust	$ -	$ -	$ 98,584
Annuities Payable	$ -	$ -	$ (9,963)

NOTE 10 FAIR VALUE MEASUREMENTS (CONTINUED)

The following summarizes changes in the fair value of NPT's assets and liabilities classified as Level 3:

Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2021	$	279,483
Current Additions		819,008
Changes in Value of Split-Interest Agreements		(102,782)
Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2022		995,709
Current Additions		-
Changes in Value of Split-Interest Agreements		102,587
Due to Other Beneficiaries of Charitable Remainder Trusts - December 31, 2023	$	1,098,296
Beneficial Interest in Third-Party Trust - December 31, 2021	$	111,710
Changes in Value of Split-Interest Agreements		(13,126)
Beneficial Interest in Third-Party Trust - December 31, 2022		98,584
Changes in Value of Split-Interest Agreements		9,438
Beneficial Interest in Third-Party Trust - December 31, 2023	$	108,022
Annuities Payable - December 31, 2021	$	10,658
Changes in Value of Split-Interest Agreements		1,520
Payments		(2,215)
Annuities Payable - December 31, 2022		9,963
Changes in Value of Split-Interest Agreements		1,634
Payments		(2,215)
Annuities Payable - December 31, 2023	$	9,382

An income approach valuation technique is used for assets held under charitable remainder trusts, due to other beneficiaries of charitable remainder trusts, and beneficial interest in net assets of third parties.

NOTE 11 ENDOWMENT FUNDS

The NPT Endowment Fund consists of various donor-restricted endowment funds (See Note 9). Net assets associated with endowment funds are classified and reported based on the existence of donor-imposed restrictions.

NPT is subject to the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds.

NPT has adopted an investment policy for endowment assets. Under this policy, as approved by the board, the primary long-term financial objective is to preserve the value of the endowment investment portfolio.

NPT has also adopted an investment spending policy related to its endowment assets. The board designates only a portion of NPT's cumulative investment return for support of operations. The remainder is retained to support operations of future years and to offset potential market declines. Massachusetts state law allows the trustees to appropriate as much of the net asset appreciation of donor-restricted endowments as is prudent considering NPT's long and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Under NPT's spending policy, up to 5% of the most recent 13 quarters' average of the fair value of the investments is appropriated to support operations. However, the board may approve spending in excess of the spending policy based on individual facts and circumstances as deemed prudent. For more than ten years, the Board has appropriated a spend of 4.1% annually.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires NPT to retain as a fund of perpetual duration. NPT had no such deficiencies of this nature for the years ended December 31, 2023 and 2022.

NOTE 11 ENDOWMENT FUNDS (CONTINUED)

The endowment net assets include a beneficial interest in a third-party trust which is not subject to UPMIFA. In addition, NPT has not included endowment assets that are included in pledges receivable in the endowment fund disclosures as they have not yet been collected by NPT.

Changes in endowment net assets by class are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Endowment Net Assets, December 31, 2021	$ -	$ 9,463,869	$ 9,463,869
Contributions	-	253,602	253,602
Change in Value of Interest in Charitable Remainder Trust	-	(41,752)	(41,752)
Investment Income:			
Interest and Dividends	-	181,540	181,540
Net Realized and Unrealized Losses	-	(1,681,414)	(1,681,414)
Appropriation of Endowment Assets for Spending Policy	-	(288,858)	(288,858)
Endowment Net Assets, December 31, 2022	-	7,886,987	7,886,987
Contributions	-	340,170	340,170
Change in Value of Interest in Charitable Remainder Trust	-	44,699	44,699
Investment Income:			
Interest and Dividends	-	172,318	172,318
Net Realized and Unrealized Gains	-	1,238,906	1,238,906
Appropriation of Endowment Assets for Spending Policy	-	(310,629)	(310,629)
Endowment Net Assets, December 31, 2023	$ -	$ 9,372,451	$ 9,372,451

NOTE 12 COLLECTIONS AND PATENTS

The botanic collection at NPT's Garden in the Woods (the Garden) consists of approximately 1,500 varieties of plants native to North America, with a focus on plants from the ecoregions of New England. The Garden also has a nationally accredited collection of 21 species of trilliums. At Garden in the Woods, plants are displayed in naturalistic arrangements intended to inspire in visitors a greater appreciation of wild flora and to educate them about the conservation of native plants.

NOTE 12 COLLECTIONS AND PATENTS (CONTINUED)

NPT has a library of approximately 3,500 volumes of material related to botany and horticulture; approximately 35,000 images of native plants, regional flora, and habitats; approximately 3,740 specimen sheets of New England native plants; and 320 plant taxa in the seed bank.

These materials serve the members of NPT, the staff, and the general public. In accordance with accounting principles generally accepted in the United States of America, none of these collections are capitalized, and there were no acquisitions expensed during the years ended December 31, 2023 and 2022.

NPT holds a U.S. Plant Patent No. U.S. PP15187 P3 for Polemonium Reptans named "Stairway to Heaven." The patent is dated September 28, 2004 and is being amortized over 15 years. The cost of the patent was $10,516 and is included in property and equipment. For each of the years ended December 31, 2023 and 2022, amortization expense of $16 was included in depreciation expense in the accompanying statements of functional expenses.

NOTE 13 PENSION PLAN

NPT has a defined contribution pension plan covering eligible employees under Section 403(b) of the IRC. Any employee at least 21 years of age is eligible to participate. Upon completion of two years of service, NPT matches 100% of employee contributions, up to 5% of employee compensation, to a maximum of $5,000. Employees are eligible to make voluntary contributions to the plan within statutory limits. All contributions to the plan are immediately vested. Pension costs charged to operations amounted to $53,398 and $49,566 for the years ended December 31, 2023 and 2022, respectively.

NOTE 14 CONCENTRATIONS

NPT maintains cash and cash equivalents in a Massachusetts bank and is insured up to the limits of the Federal Deposit Insurance Corporation (FDIC). At certain times during the year, cash balances may exceed the insured amount. NPT has not experienced any losses in such accounts, and management does not believe there is exposure to significant credit risk related to the cash and cash equivalents.

For the year ended December 31, 2023, 11% of total grant and contribution revenue was from one donor.

NOTE 15 AVAILABLE RESOURCES AND LIQUIDITY

NPT regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. NPT has various sources of liquidity at its disposal, including cash and cash equivalents, money market accounts, indexed mutual funds, and stocks.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, NPT considers all expenditures related to its ongoing activities of conservation, education, horticulture, member services, retail shops, as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, NPT operates a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. NPT considers the following to be available to meet cash needs for general expenditures: investment income without donor restrictions, investment return designated for current operations, contributions without donor restrictions, and contributions with donor restrictions for use in current programs.

As of December 31, 2023 and 2022, the following shows the total liquid financial assets held by NPT and the amounts of those financial assets that could be readily made available within one year of the statement of financial position date to meet general expenditures:

	2023	2022
Financial Assets:		
Cash and Cash Equivalents	$ 1,011,103	$ 1,079,456
Accounts Receivable, Net	220,626	219,786
Current Portion of Grants and Pledges Receivable, Net	3,288,741	816,545
Investments Convertible to Cash in the Next 12 Months	10,536,092	9,122,480
Total Financial Assets	15,056,562	11,238,267
Less: Donor-Imposed Restricted Funds	(986,868)	(1,566,085)
Less: Endowment Funds	(9,139,002)	(7,698,236)
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 4,930,692	$ 1,973,946

Donor-imposed restricted funds include financial assets that may be utilized within one year of the statement of financial position dates for program expenses.

NOTE 16 LEASES

NPT is committed to annual payments under several long-term noncancelable finance and operating leases for office equipment and space through 2033. Finance lease costs reported in the statement of functional expenses amounted to $3,335 for the year ended December 31, 2023, including $2,388 for principal and $363 for interest. Finance lease costs reported in the statement of functional expenses amounted to $5,035 for the year ended December 31, 2022, including $4,592 for principal and $207 for interest.

NOTE 16 LEASES (CONTINUED)

Operating lease expense amounted to $40,126 for the year ended December 31, 2023. There was no operating lease expense for the year ended December 31, 2022.

Payments due through fiscal year 2023 for finance and operating leases are as follows:

Year Ending December 31,	Finance	Operating	Total
2024	$ 5,919	$ 207,037	$ 212,956
2025	5,919	230,264	236,183
2026	5,255	235,069	240,324
2027	1,451	239,875	241,326
2028	-	244,680	244,680
Thereafter	-	1,250,631	1,250,631
Total Undiscounted Cash Flows	18,544	2,407,556	2,426,100
Less: Amounts Representing Interest	(1,189)	(499,261)	(500,450)
Total Present Value	$ 17,355	$ 1,908,295	$ 1,925,650

For the year ended December 31, 2023, the weighted-average remaining lease term for finance leases and operating leases is 3.26 years and 9.83, respectively. The weighted-average discount rate for finance and operating leases is 4.25% and 4.77%, respectively, for the year ended December 31, 2023. ROU assets obtained in exchange for new finance lease liabilities amounted to $10,842 and ROU assets obtained in exchange for new operating lease liabilities amounted to $1,893,213 during 2023.

For the year ended December 31, 2022, the weighted-average remaining lease term for finance leases was 3.61 years. The weight-average discount rate for finance leases was 2.94% for the year ended December 31, 2022. ROU assets obtained in exchange for new finance lease liabilities amounted to $17,616 during 2022.

NOTE 17 EMPLOYEE RETENTION CREDITS

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. The Employee Retention Credit (ERC) was introduced as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was signed into law on March 27, 2020. The ERC is a refundable tax credit against certain wages paid by an eligible employer. NPT complied with the conditions of ERC funding and recognized revenue of $416,869, of which $212,425 is in accounts receivable, for the years ended December 31, 2023, and 2022. There were no credits recognized as revenue for the year ended December 31, 2023.

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