

NEW HAMPSHIRE HISTORICAL SOCIETY

FINANCIAL REPORT

SEPTEMBER 30, 2013

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Co. NATHAN WECHSLER & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS ADVISORS  
INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
New Hampshire Historical Society  
Concord, New Hampshire 03301

We have audited the accompanying financial statements of New Hampshire Historical Society, which comprise the statement of financial position as of September 30, 2013, and the related statements of activities and changes in net assets, 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. 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 New Hampshire Historical Society, as of September 30, 2013, and the results of its operations 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 the New Hampshire Historical Society's September 30, 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 14, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Nathan Wechsler & Company*

Concord, New Hampshire  
March 13, 2014

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NEW HAMPSHIRE HISTORICAL SOCIETY

STATEMENT OF FINANCIAL POSITION

September 30, 2013 and Comparative Totals for 2012

	ASSETS				
	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Total	2012 Total
<b>CURRENT ASSETS</b>					
Cash	\$ 19,933	\$ 703,901	\$ -	\$ 723,834	\$ 416,383
Accounts receivable	7,011	-	-	7,011	1,781
Contributions receivable, current, net of allowance for doubtful accounts of \$37,967	32,765	296,911	19,017	348,693	200,791
Inventory	49,726	-	-	49,726	71,740
Prepaid expenses	71,385	-	-	71,385	79,446
<i>Total current assets</i>	<u>180,820</u>	<u>1,000,812</u>	<u>19,017</u>	<u>1,200,649</u>	<u>770,141</u>
PROPERTY AND EQUIPMENT, NET	3,915,390	-	-	3,915,390	3,986,635
COLLECTIONS (Note 15)	-	-	-	-	-
<b>INVESTMENTS AND OTHER ASSETS</b>					
Investments	6,881,522	1,997,656	2,761,842	11,641,020	10,551,207
Beneficial interest in a trust	-	-	1,681,899	1,681,899	1,472,882
Charitable gift annuity	-	316,844	-	316,844	295,162
Charitable remainder unitrust	-	609,335	-	609,335	-
Contributions receivable, long-term, net of allowance for doubtful accounts of \$52,500 and discount of \$41,143	41,298	355,251	34,812	431,361	477,354
Cash surrender value of life insurance	40,216	-	-	40,216	38,716
<i>Total assets</i>	<u>\$ 11,059,246</u>	<u>\$ 4,279,898</u>	<u>\$ 4,497,570</u>	<u>\$ 19,836,714</u>	<u>\$ 17,592,097</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Line-of-credit	\$ 249,500	\$ -	\$ -	\$ 249,500	\$ 249,895
Accounts payable	58,561	-	-	58,561	49,896
Accrued expenses	120,798	-	-	120,798	157,350
Deferred revenue	20,511	-	-	20,511	20,434
Current portion of annuity payable	-	12,338	-	12,338	11,965
Current portion of charitable remainder unitrust payable	-	30,466	-	30,466	-
<i>Total current liabilities</i>	<u>449,370</u>	<u>42,804</u>	<u>-</u>	<u>492,174</u>	<u>489,540</u>
<b>LONG-TERM LIABILITIES</b>					
Annuity payable, less current portion	-	176,040	-	176,040	188,378
Charitable remainder unitrust payable, less current portion	-	181,893	-	181,893	-
<i>Total liabilities</i>	<u>449,370</u>	<u>400,737</u>	<u>-</u>	<u>850,107</u>	<u>677,918</u>
<b>NET ASSETS</b>					
Unrestricted:					
Net investment in property and equipment	3,915,390	-	-	3,915,390	3,986,635
Designated:					
Operations	90,809	-	-	90,809	15,911
Investments	2,697,152	-	-	2,697,152	2,460,899
Undesignated:					
Operations	(277,845)	-	-	(277,845)	(169,389)
Investments	4,184,370	-	-	4,184,370	3,911,718
Temporarily restricted	-	3,879,161	-	3,879,161	2,605,954
Permanently restricted	-	-	4,497,570	4,497,570	4,102,451
<i>Total net assets</i>	<u>10,609,876</u>	<u>3,879,161</u>	<u>4,497,570</u>	<u>18,986,607</u>	<u>16,914,179</u>
<i>Total liabilities and net assets</i>	<u>\$ 11,059,246</u>	<u>\$ 4,279,898</u>	<u>\$ 4,497,570</u>	<u>\$ 19,836,714</u>	<u>\$ 17,592,097</u>

NEW HAMPSHIRE HISTORICAL SOCIETY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
September 30, 2013 and Comparative Totals for 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Total	2012 Total
<b>OPERATING ACTIVITIES:</b>					
Revenues					
Contributed support					
Contributions and memberships	\$ 305,157	\$ -	\$ -	\$ 305,157	\$ 379,321
Grants, gifts, and fundraising	203,030	472,600	179,760	855,390	191,128
Contributed goods and services	12,155	-	-	12,155	6,393
<i>Total contributed support</i>	520,342	472,600	179,760	1,172,702	576,842
Earned revenues					
Earned income and special events	176,337	-	-	176,337	226,165
Rental income	542,181	-	-	542,181	669,298
<i>Total earned revenues</i>	718,518	-	-	718,518	895,463
Investment income					
Kimball Trust and Watson Trust income	80,704	-	-	80,704	70,897
Other investment income	133	-	-	133	136
Endowment spending draw in accordance with investment policy	284,749	189,179	-	473,928	496,728
Release of current year endowment draw for satisfaction of program restrictions	146,991	(146,991)	-	-	-
<i>Total investment income</i>	512,577	42,188	-	554,765	567,761
Total revenues	1,751,437	514,788	179,760	2,445,985	2,040,066
Net assets released from restrictions:					
For satisfaction of program restrictions	174,548	(174,548)	-	-	-
Expenses					
Program service expenses					
Museum	231,561	-	-	231,561	243,562
Exhibitions	84,869	-	-	84,869	121,098
Library	282,727	-	-	282,727	299,825
Education	166,541	-	-	166,541	151,132
Publications	97,008	-	-	97,008	154,142
Museum store and visitor services	97,010	-	-	97,010	104,516
Buildings, grounds, and security	27,763	-	-	27,763	11,980
<i>Total program service expenses</i>	987,479	-	-	987,479	1,086,255
Collection items acquired by purchase					
Museum	16,168	-	-	16,168	32,763
Library	56,631	-	-	56,631	53,017
<i>Total collection items acquired by purchase</i>	72,799	-	-	72,799	85,780
Supporting services and general expenses					
Membership, development, and public relations	326,090	-	-	326,090	309,913
Administration	187,692	-	-	187,692	254,434
Depreciation expense from operations	191,441	-	-	191,441	156,284
<i>Total supporting services and general expenses</i>	705,223	-	-	705,223	720,631
Rental expenses, including depreciation of \$41,043	370,689	-	-	370,689	308,466
Total expenses	2,136,190	-	-	2,136,190	2,201,132
<i>Increase (decrease) in net assets from operating activities</i>	\$ (210,205)	\$ 340,240	\$ 179,760	\$ 309,795	\$ (161,066)

NEW HAMPSHIRE HISTORICAL SOCIETY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

September 30, 2013 and Comparative Totals for 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	2013 Total	2012 Total
<i>Increase (decrease) in net assets from operating activities</i>	\$ (210,205)	\$ 340,240	\$ 179,760	\$ 309,795	\$ (161,066)
<b>NON-OPERATING ACTIVITIES:</b>					
Capital campaign					
Capital campaign contributions	-	736,275	6,342	742,617	909,718
Capital campaign expenses	(182,748)	-	-	(182,748)	(74,439)
Net assets released from restrictions for capital campaign expenses	226,973	(226,973)	-	-	-
<i>Net capital campaign</i>	44,225	509,302	6,342	559,869	835,279
Investment return					
Realized and unrealized investment gains	595,854	427,174	-	1,023,028	1,393,422
Investment expenses	(15,441)	(9,728)	-	(25,169)	(24,682)
Investment income, actual dividends and interest	274,418	195,398	-	469,816	375,516
Change in value of beneficial interest in a trust	-	-	209,017	209,017	13,786
<i>Total investment return</i>	854,831	612,844	209,017	1,676,692	1,758,042
Less endowment spending draw	284,749	189,179	-	473,928	496,728
<i>Increase in net assets from non-operating activities</i>	614,307	932,967	215,359	1,762,633	2,096,593
<i>Increase in net assets</i>	404,102	1,273,207	395,119	2,072,428	1,935,527
Net assets, beginning of year	10,205,774	2,605,954	4,102,451	16,914,179	14,978,652
Net assets, end of year	<b>\$ 10,609,876</b>	<b>\$ 3,879,161</b>	<b>\$ 4,497,570</b>	<b>\$ 18,986,607</b>	<b>\$ 16,914,179</b>

NEW HAMPSHIRE HISTORICAL SOCIETY

STATEMENTS OF CASH FLOWS

September 30, 2013 and 2012

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in net assets	\$ 2,072,428	\$ 1,935,527
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	232,484	195,956
Bad debt expense	9,808	70,194
Change in charitable gift annuity	(33,647)	(94,819)
Change in charitable unitrust liability	212,359	-
Realized and unrealized gain on investments	(995,294)	(1,393,422)
Increase in value of beneficial interest in a trust	(209,017)	(13,786)
Increase in cash surrender value of life insurance	(1,500)	(4,473)
Receipt of gifts restricted to endowment and capital campaign	(270,199)	(216,069)
Receipt of gifts restricted for investment in trust	(606,317)	-
Decrease in inventory	22,014	13,095
(Increase) decrease in prepaid expenses	8,061	(34,289)
Increase in contributions receivable	(111,717)	(559,672)
(Increase) decrease in accounts receivable	(5,230)	43
Decrease in accounts payable and accrued expenses	(27,887)	(31,795)
Increase in deferred revenue	77	120
<i>Net cash provided by (used in) operating activities</i>	296,423	(133,390)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	1,151,583	1,468,418
Purchase of investments	(1,855,437)	(1,462,793)
Purchase of property and equipment	(161,239)	(6,377)
Receipt of gifts restricted for investment in trust	606,317	-
<i>Net cash used in investing activities</i>	(258,776)	(752)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments on the line-of-credit	(395)	-
Receipt of gifts restricted to endowment and capital campaign	270,199	216,069
<i>Net cash provided by financing activities</i>	269,804	216,069
 <i>Net increase in cash</i>	 307,451	 81,927
Cash, beginning of year	416,383	334,456
<i>Cash, end of year</i>	\$ 723,834	\$ 416,383

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash payments for interest	\$ 2,982	\$ 8,130
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# NEW HAMPSHIRE HISTORICAL SOCIETY

## NOTES TO FINANCIAL STATEMENTS

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### *Note 1. Nature of Activities*

The New Hampshire Historical Society (“the Society”) is a voluntary not-for-profit organization incorporated under the laws of the State of New Hampshire and organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The purpose of the Society is to educate a diverse public about the significance of New Hampshire's past and its relationship to our lives today. In support of this mission, the Society collects, preserves and interprets materials pertaining to New Hampshire history. The Society operates a library, a historical museum with exhibits, and rental real estate property, all located in Concord, New Hampshire. The Society's current programs include the following:

*Library and Museum:* The Society collects and preserves the most extensive collection of objects, books, manuscripts, and images related to New Hampshire history that can be found anywhere. These collections offer the most complete picture available of the social, economic, political, and cultural history of New Hampshire over nearly four centuries.

*Education:* The Society offers a diverse range of educational program offerings, including research services, exhibitions, publications, school programs, public programs, technical services and support of local historical societies, and its website.

*Museum store:* The Society operates a museum store, which sells books and goods related to New Hampshire and its history as well as New Hampshire-made products.

### *Note 2. Significant Accounting Policies*

**Basis of accounting:** The financial statements of the Society have been prepared on the accrual basis. Under the accrual basis, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Estimates and assumptions:** Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results may differ from those estimates.

**Basis of presentation:** The Society accounts for contributions received in accordance with the FASB Accounting Standards Codification topic for revenue recognition (FASB ASC 958-605) and contributions made in accordance with FASB ASC 958-720-25 and FASB ASC 958-310. In accordance with FASB ASC 958-605-25, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. In addition, FASB ASC 958-310 requires that unconditional promises to give (pledges) be recorded as receivables and recognized as revenues.

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## NEW HAMPSHIRE HISTORICAL SOCIETY

### NOTES TO FINANCIAL STATEMENTS

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The Society adheres to the Presentation of Financial Statements for Not-for-Profit Organizations topic of the FASB Accounting Standards Codification (FASB ASC 958-205). Under FASB ASC 958-205, the Society is required to report 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. Descriptions of the three net asset categories are as follows:

*Unrestricted net assets* include both undesignated and designated net assets, which are the revenues not restricted by outside sources and revenues designated by the Board of Trustees for special purposes and their related expenses.

*Temporarily restricted net assets* include gifts and pledges for which time and donor-imposed restrictions have not yet been met, and also includes the accumulated appreciation related to permanently restricted endowment gifts, which is a requirement of FASB ASC 958-205-45.

*Permanently restricted net assets* include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof be made available for program operations in accordance with donor restrictions.

**Contributions:** Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributed collection items are not capitalized or recognized in the statement of activities (see Note 15).

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase in unrestricted net assets.

Included in support are gifts in-kind which are valued at fair value at the date of the gift.

**Cash and cash equivalents:** For purposes of reporting cash flows, the Society considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. It is the Society's policy to consider such cash equivalents to be investments. Cash equivalents reported as investments in the statement of financial position amounted to \$790,486 at September 30, 2013.

**Contributions receivable:** Unconditional contributions receivable are reported at net realizable value if at the time the promise is made payment is expected to be received in one year or less. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and in subsequent periods. Conditional promises to give are not included in the financial statements. Management provides for probable uncollectable amounts through a provision for bad debt expense and an adjustment to an allowance based on its assessment of the receivable balances. It is the Society's policy to charge off uncollectible receivables when management determines the receivable will not be collected. The allowance for doubtful accounts at September 30, 2013 amounted to \$90,467. Bad debt expense for the year ended September 30, 2013 amounted to \$9,808 and related primarily to the increase in the allowance for doubtful accounts.

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NEW HAMPSHIRE HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

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**Advertising:** The Society expenses all advertising costs as incurred. Advertising amounted to \$5,925 for the fiscal year ended September 30, 2013.

**Inventory:** Inventory is valued at the lower of cost or market, on the first-in, first-out basis (FIFO), and consists of books and gifts for sale in the Society’s gift shop.

**Accounts receivable:** Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to an allowance based on its assessment of the current status of individual accounts. It is the Society’s policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. No allowance has been recorded as all receivables are considered collectible at September 30, 2013.

**Investments:** The Society carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Other investments are reflected at net asset value as reported by the investment manager, and may differ from the values that would have been reported had a ready market for these securities existed. The Society reviews and evaluates the values provided by the investment managers and agrees with the valuation methods and assumptions used in determining the fair value. Investments are carried at their fair values in the statement of financial position. Unrealized gains and losses are included in the accompanying statement of activities.

**Investment pools:** The Society maintains three investment accounts for its donor-restricted and board-designated endowments. The Society establishes a spending limit based on a total return policy of utilizing income from the Society's pooled investment portfolio. Under this policy, the Board of Trustees sets the spending limit for the upcoming year based on anticipated long-term yields. For the year ended September 30, 2013, the spending limit was based on 5% of the average fair value of the investment portfolio determined over a five-year period.

**Derivative instruments:** The Society accounts for derivative instruments at fair value. The fair value of the derivatives held is based upon values provided by third-party investment managers and is assessed by management for reasonableness.

**Property and equipment:** Maintenance, repairs, and minor renewals are expensed as incurred. Purchases, renewals, and betterments in excess of \$500 are capitalized. Provision for depreciation is made using the straight-line method by annual charges calculated to absorb the costs over the following estimated useful lives:

	Years
Buildings and improvements .....	7-39
Furniture and equipment .....	3-7

Depreciation expense amounted to \$232,484, of which \$41,043 is included in rental expenses.

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# NEW HAMPSHIRE HISTORICAL SOCIETY

## NOTES TO FINANCIAL STATEMENTS

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**Income taxes:** The Society is a not-for-profit organization exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation; however, certain unrelated business income is subject to federal taxation. For the year ended September 30, 2013, there was no liability for a tax on unrelated business income.

The Society has adopted the provisions of FASB ASC 740, Accounting for Uncertainty in Income Taxes. Accordingly, management has evaluated the Society's tax positions and concluded the Society had maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment or disclosure in the financial statements. With few exceptions, the Society is no longer subject to income tax examinations by the U.S. Federal or State tax authorities for years before 2010.

**Designation of unrestricted net assets:** It is the policy of the Board of Trustees of the Society to review its plans for future property improvements and acquisitions, as well as other operating needs, from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such purposes.

**Deferred revenue:** Deferred revenue consists of prepaid tenant rent, and remains as a liability at year-end until the revenue is earned.

**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 generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended September 30, 2012, from which the summarized information was derived.

**Shipping and handling:** Freight billed to customers is considered sales revenue and the related freight costs as a cost of sales.

### *Note 3. Investments*

The fair values of the Society's investments at September 30, 2013 were comprised of the following:

Cash	\$ 790,486
Equities:	
Common stocks	1,976,009
Private equities	2,035,880
Global stocks	3,277,166
Fixed income high yield and other bonds	273,097
Fixed income corporate and government bonds	426,118
Mutual funds	336,114
Hedging assets	2,526,150
<i>Total</i>	<u><u>\$ 11,641,020</u></u>

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NEW HAMPSHIRE HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

Investment return for September 30, 2013 is summarized as follows:

	Unrestricted	Temporarily Restricted	Total
Realized and unrealized gains	\$ 595,854	\$ 427,174	\$ 1,023,028
Investment expenses	(15,441)	(9,728)	(25,169)
Investment income, dividends and interest	274,418	195,398	469,816
	<u>\$ 854,831</u>	<u>\$ 612,844</u>	<u>\$ 1,467,675</u>
Endowment spending draw	284,749	193,057	477,806
Unspent withdrawals returned to investment	-	3,878	3,878
Net investment return per spending draw	<u>\$ 284,749</u>	<u>\$ 189,179</u>	<u>\$ 473,928</u>

**Note 4. Endowment Funds and Net Assets**

The Society adheres to the Other Presentation Matters section of the Presentation of Financial Statements for Not-for-Profit Organizations topic of the FASB Accounting Standards Codification (FASB ASC 958-205-45). FASB ASC 958-205-45 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). FASB ASC 958-205-45 also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of New Hampshire enacted UPMIFA effective July 1, 2008, the provisions of which apply to endowment funds existing on or established after that date. The Society adopted FASB ASC 958-205-45 for the year ended September 30, 2009. The Society's endowment consists of forty-six named funds established for specific educational or program purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Society has interpreted UPMIFA as allowing the Society to appropriate for expenditure or accumulate so much of an endowment fund as the Society determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

As a result of this interpretation, the Society classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

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## NEW HAMPSHIRE HISTORICAL SOCIETY

### NOTES TO FINANCIAL STATEMENTS

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The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Society, and (7) the investment policies of the Society.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Society to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$2,806, as of September 30, 2013.

*Investment Return Objectives, Risk Parameters and Strategies:* The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve a total return sufficient to ensure that capital is preserved and enhanced over time, both in real and nominal terms, while providing a dependable source of liquid financial assets for the Society's current operations and programs. Endowment assets are invested in a well-diversified asset mix that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to provide for an annual distribution of 5%, while growing the funds if possible. Therefore, the Society expects its endowment assets, over time, to produce an average rate of return in excess of 5%. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

*Spending Policy:* The Society has a policy of appropriating for distribution each year 5% of its endowment fund's average market value of the pooled investment portfolio of the twenty prior quarters through the second calendar quarter proceeding the fiscal year in which the distribution is planned. In establishing this policy, the Society considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Society expects the current spending policy to allow its endowment funds to grow at a nominal average rate consistent with the Society's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

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NEW HAMPSHIRE HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

Endowment net asset composition by type of fund as of September 30, 2013 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment fund	\$ (2,806)	\$ 2,000,462	\$ 2,761,842	\$ 4,759,498
Board-designated endowment funds	2,697,152	-	-	2,697,152
<i>Total</i>	<u>\$ 2,694,346</u>	<u>\$ 2,000,462</u>	<u>\$ 2,761,842</u>	<u>\$ 7,456,650</u>

Endowment net assets as of September 30, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 2,452,177	\$ 1,619,499	\$ 2,559,091	\$ 6,630,767
Investment return:				
Investment income	106,348	183,188	-	289,536
Net appreciation (realized and unrealized)	225,311	392,868	-	618,179
<i>Total investment return</i>	<u>331,659</u>	<u>576,056</u>	<u>-</u>	<u>907,715</u>
Contributions	209,267	-	202,751	412,018
Appropriation of endowment assets for expenditure	(304,671)	(189,179)	-	(493,850)
Recovery of deficiencies	5,914	(5,914)	-	-
Endowment of net assets, end of year	<u>\$ 2,694,346</u>	<u>\$ 2,000,462</u>	<u>\$ 2,761,842</u>	<u>\$ 7,456,650</u>

**Note 5. Fair Value Measurements**

The Fair Value Measurements topic of the FASB Accounting Standards Codification (FASB ASC 820-10) defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair-value measurements. FASB ASC 820-10 is effective for all financial and non financial assets and liabilities and any other assets and liabilities that are recognized or disclosed at fair value on a recurring basis.

(continued on next page)

# NEW HAMPSHIRE HISTORICAL SOCIETY

## NOTES TO FINANCIAL STATEMENTS

In addition to defining fair value, FASB ASC 820-10 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Each fair value measurement is reported in one of the three levels which are determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1 – inputs are unadjusted, quoted prices in active markets for identical assets at the measurement date. The types of assets carried at Level 1 fair value generally are securities listed in active markets, certificates of deposit and certain money market accounts. The Society has valued its investments, listed on national exchanges at the last sales price as of the day of valuation.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments. Financial assets carried at fair value on a recurring basis consist of the following at September 30, 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:			
Investments			
UBS:			
Money market funds	\$ 39,469	\$ -	\$ -
Equities:			
Common stock	1,976,009	-	-
Fixed income:			
Corporate bonds and notes	426,118	-	-
Mutual funds	336,114	-	-
TIFF Multi-Asset Fund	-	6,827,430	-
Omega Overseas Partners LTD - Class B Series	-	-	2,035,880
<i>Total investments</i>	<u>2,777,710</u>	<u>6,827,430</u>	<u>2,035,880</u>

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NEW HAMPSHIRE HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

	Level 1	Level 2	Level 3
Charitable gift annuity - Wellington Fund Admiral	316,844	-	-
Charitable remainder trust			
Cash and money market funds	342,265	-	-
Equities:			
Common stock	134,441	-	-
Fixed income:			
Corporate bonds and notes	32,470	-	-
Mutual funds	100,159	-	-
<i>Total charitable remainder trust</i>	<u>609,335</u>	<u>-</u>	<u>-</u>
Beneficial interest in a trust	-	-	1,681,899
	<u>\$ 3,703,889</u>	<u>\$ 6,827,430</u>	<u>\$ 3,717,779</u>
Liabilities:			
Annuity payable	-	-	188,378
Charitable remainder unitrust payable	-	-	212,359
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,737</u>

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended September 30, 2013:

	Omega Overseas Partners	Beneficial Interest in a Trust	Contributions Receivable	Annuity Payable	Charitable remainder unitrust
Balance, beginning of year	\$ 1,595,921	\$ 1,472,882	\$ 678,145	\$ 200,343	\$ -
Payments received	-	-	(363,443)	-	-
New contributions receivable	-	-	465,842	-	-
Changes in allowance and present value	-	-	(490)	-	1,052
New liability upon contribution	-	-	-	-	211,308
Payments to annuitants/beneficiaries	-	-	-	(11,965)	-
Total realized and unrealized gains, included in changes in assets	439,959	209,017	-	-	-
Balance, end of year	<u>\$ 2,035,880</u>	<u>\$ 1,681,899</u>	<u>\$ 780,054</u>	<u>\$ 188,378</u>	<u>\$ 212,360</u>

Amount of unrealized gains attributable to assets still held at the reporting date, included in changes in net assets	\$ 439,959	\$ 209,017	\$ -	\$ -	\$ -
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# NEW HAMPSHIRE HISTORICAL SOCIETY

## NOTES TO FINANCIAL STATEMENTS

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All assets and liabilities have been valued using a market or income approach and have been consistently applied. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources.

The income approach uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

### *Note 6. Contributions Receivable*

Unconditional promises to give are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Pledges expected to be received beyond one year are recognized at fair value using present value techniques and a discount rate of 3%.

Unconditional promises to give are expected to be realized in the following periods:

<u>September 30,</u>		<u>2013</u>
In one year or less	\$	386,660
Between one year and five years		525,004
Present value discount		(41,143)
Allowance for uncollectible contributions receivable		(90,467)
<i>Total</i>	\$	<u>780,054</u>

Approximately sixty percent of total undiscounted contributions receivable, or \$573,806, represents promises to give by board members or employees.

### *Note 7. Unemployment Compensation*

The Society has elected not to participate in the New Hampshire Unemployment Compensation Fund. The Society participates in a self-insured plan. As such, the Society is liable to pay any benefits in excess of its reserve to terminated employees who would have otherwise been eligible for unemployment benefits from the State of New Hampshire. The reserve fund balance is recorded as a prepaid expense on the statement of financial position. As of September 30, 2013, the unemployment fund balance amounted to \$21,436.

NEW HAMPSHIRE HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

*Note 8. Property and Equipment*

Property and equipment as of September 30, 2013 is comprised as follows:

	<u>Property Used In Operations</u>	<u>Rental Property</u>	<u>Total</u>
Land	\$ -	\$ 200,000	\$ 200,000
Land improvements, parking lots	63,473	324,689	388,162
Buildings	855,715	636,681	1,492,396
Building improvements	4,172,995	748,120	4,921,115
Equipment fixtures	967,632	-	967,632
Permanent exhibit	153,296	-	153,296
	<u>6,213,111</u>	<u>1,909,490</u>	<u>8,122,601</u>
Less: accumulated depreciation	3,265,876	941,335	4,207,211
Property and equipment, net	<u>\$ 2,947,235</u>	<u>\$ 968,155</u>	<u>\$ 3,915,390</u>

It has been determined by management the "Land" allocation for property used in operations may have originally had no material cost at acquisition, and therefore has no material cost separate from the buildings constructed on the land.

*Note 9. Designated Net Assets*

The Board's designated funds are comprised of the principal and/or earnings from certain gifts and bequests to be used for specific educational or program purposes, rather than the donor's intent for general operations.

The Society's Board-designated net assets at September 30, 2013 are comprised as follows:

Operations designations:

Plant fund operating cash	\$ <u>90,809</u>
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Designated funds:

Katharine Prentis Murphy Fund	1,451,548
John L. Frisbee Education Fund	68,256
Plant - for building repairs and maintenance	38,429
Library collections care and acquisitions	154,557
Publications	130,254
June Campbell Hoyt Fund	432,091
Museum collections care and acquisitions	56,000
Elizabeth Hoyt Fund	77,685
Museum Collections Stewardship Fund	3,176
Bequests	285,156

<i>Total</i>	<u>2,697,152</u>
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<i>Total designated net assets</i>	<u>\$ 2,787,961</u>
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NEW HAMPSHIRE HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

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*Note 10. Temporarily Restricted Net Assets*

The Society's temporarily restricted net assets at September 30, 2013 are comprised as follows:

Museum care and collections	\$ 2,653
Prentis Murphy - museum acquisitions	17,184
Prentis Murphy - conservation	16,207
Museum deaccession	7,208
Freeman Jewell Fund	578
Library catalogue project	15,946
Digitization project	500
Library deaccession	70,602
Library care and collections	2,957
Duncan S. McGowan Memorial Fund	2,607
Abbie F. Moseley Charitable Trust- Hands on History	5,000
Educational programs	8,992
Administration	1,415
Capital campaign	549,246
Capital campaign - pledges	652,162
Charitable remainder trust	396,976
Charitable gift annuity	128,466
Portion of perpetual endowment funds under UPMIFA	2,000,462
<i>Total temporarily restricted net assets</i>	<u><u>\$ 3,879,161</u></u>

*Note 11. Permanently Restricted Net Assets*

The Society's permanently restricted net assets at September 30, 2013 are comprised as follows:

Permanently restricted receivables	<u>\$ 53,829</u>
 <u>Permanently restricted funds:</u>	
Edith Atkins Fund	5,000
Lane Dwinneel Fund	25,000
Concord Tower Clock Fund	27,053
Raymond S. Vaughan Baseball Fund	15,000
Mary W. Vaughan Fund	10,000
Mary H. Woodbury Fund	66,325
Perry - Dudley Family Archive and Shepard Collection Fund	40,171
John L. Frisbee Education Fund	778,350
Ruth Pearson Fund	109,528
Duncan S. McGown Memorial Fund	23,285
Edith Shepard Freeman/Margaret H. Jewell Fund	683,414
William C. Todd Fund	17,000

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# NEW HAMPSHIRE HISTORICAL SOCIETY

## NOTES TO FINANCIAL STATEMENTS

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Edward C. and Elizabeth F. Lathem Fund	12,025
Leonard K. Dodge Fund	25,950
Philip B. and Nelle L. Holmes Fund	42,756
Roger F. Woodman Fund	25,000
Asa Currier Tilton Fund	36,000
Jere R. Daniell Publications Fund	20,000
Charles S. Parsons Fund	33,142
George F. Sawyer Memorial Fund	51,185
Annalee Thorndike Fund	25,000
Natalie Hoyt Fund	88,783
Robert O. Wilson, D.D.S. Historical Research Fund	25,375
Evelyn Arell Trust	117,750
Anonymous	75,000
Life memberships	109,850
David G. Stahl Fund	10,000
Frances M. Heald	50,000
Swenson Fund	40,000
Stanley A. Hamel Funds	171,800
Capital Campaign Fund	2,100
Beneficial interest in a trust (see Note 16)	1,681,899
Total	<u>4,443,741</u>
Total permanently restricted net assets	<u>\$ 4,497,570</u>

Endowment net assets are primarily for education, collections, and operational support.

### *Note 12. Retirement Plan*

The Society has a defined contribution retirement plan that covers all full-time employees who have worked in at least one of the past three years. The Society matches employee contributions to the plan up to a maximum of 5% of qualifying employee's earnings. Retirement benefit expenses for the year ended September 30, 2013 amounted to \$30,567.

### *Note 13. Revolving Line-of-Credit*

The Society has a \$250,000 revolving unsecured line-of-credit with no stated expiration date. Bank advances on the credit line are payable on demand and carry an interest rate equal to the prime rate (3.25% at September 30, 2013). As of September 30, 2013, the outstanding balance on the line-of-credit was \$249,500.

NEW HAMPSHIRE HISTORICAL SOCIETY

NOTES TO FINANCIAL STATEMENTS

*Note 14. Rental Activity*

The Society leases office space to tenants under non-cancelable operating leases with terms of one to three years at its 7 Eagle Square facility. Parking spaces are also leased to tenants on a month-to-month basis. Rental income also includes rental of library facilities in the amount of \$2,000. Revenue and costs associated with rental activity for the fiscal year ended September 30, 2013 were as follows:

Revenue:	
Rental income, building and parking	\$ 536,360
Rental income, facilities	5,821
<i>Total revenues</i>	<b>542,181</b>
Expenses:	
Utilities	83,747
Maintenance and repairs	63,166
Real estate taxes	110,114
Janitorial	17,489
Trash, snow and other services	34,112
Management fees and commissions	14,595
Insurance and other administrative costs	6,423
Depreciation expense	41,043
<i>Total expenses</i>	<b>370,689</b>
Net rental earnings	<b>\$ 171,492</b>

The following is a schedule by years of future minimum rentals under the leases at September 30, 2013:

<u>Year Ending September 30</u>	
2014	\$ 292,526
2015	226,693
2016	226,692
2017	226,692
2018	188,911
<i>Total</i>	<b>\$ 1,161,514</b>

*Note 15. Collections*

Collection items acquired either through purchase or donation are not capitalized. Purchases of collection items are recorded as a decrease in unrestricted net assets if purchased with unrestricted assets and as decreases in temporarily restricted or permanently restricted net assets if purchased with donor-restricted assets. Contributions of collection items are not recognized in the statement of activities. The Society has a policy that requires net proceeds realized from the sale or transfer of deaccessioned objects will be used only for acquisition and conservation of collections. The total value of items sold or transferred by the Society for the year ended September 30, 2013 amounted to \$10,777.

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## NEW HAMPSHIRE HISTORICAL SOCIETY

### NOTES TO FINANCIAL STATEMENTS

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The Society's collections include books, manuscripts, photographs, research materials and objects relating to the history of New Hampshire. These collections have been acquired by donation, bequests and purchases. Collection items are acquired or conserved based on the Society's long-range plans for collections development.

Collections are made available for scholarly use by the public and maintained under appropriate security and preservation conditions.

The value of collection items acquired by gift for which the Society can make a reasonable estimate, amounted to \$111,696 for the fiscal year ended September 30, 2013 and are not reflected in the statement of activities.

#### ***Note 16. Beneficial Interest in a Trust***

The Society is a 25% beneficiary of the Benjamin Kimball Irrevocable Trust ("the Trust"), a perpetual trust held by TD Bank. The Society receives distributions from the Trust based on the income earned by the Trust. The Society's allocation of income from the fund was \$73,052 for the year ended September 30, 2013. 25% of the fair value of the Trust, which is used to approximate the present value of future benefits expected to be received, amounted to \$1,681,899 at September 30, 2013.

In accordance with the FASB Accounting Standards Codification topic for Revenue Recognition (FASB ASC 958-605), the Society records both the investment income from the trust and the change in value of the investment in the statement of activities and changes in net assets.

#### ***Note 17. Charitable Remainder Unitrust***

The Society is beneficiary of the Stanley A. Hamel 2008 Charitable Trust, a charitable remainder unitrust. The Society receives a future interest in an investment held by the Society as trustee when the terms of the life income contribution have been met. This amount has been included in these financial statements as an investment recorded at fair value and a liability recorded at the present value of the estimated future payments made to the donors using a discount rate of 3% and actuarial assumptions. On an annual basis, the Society will revalue the investment based on applicable mortality tables and current market conditions.

In accordance with the FASB Accounting Standards Codification topic for Revenue Recognition (FASB ASC 958-605), the Society records both the investment income from the trust and the change in value of the investment in the statement of activities and changes in net assets.

#### ***Note 18. Charitable Gift Annuity***

The Society has established a program under which donors may set up charitable gift annuities. Charitable gift annuities are arrangements between a donor and the Society in which the donor contributes assets to the Society in exchange for a promise to pay the donor a fixed amount for a specified period of time.

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## NEW HAMPSHIRE HISTORICAL SOCIETY

### NOTES TO FINANCIAL STATEMENTS

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Assets received have been recognized at fair value, and an annuity payment liability has been recognized at the present value of the future cash flows projected to be paid. Temporarily restricted contribution revenue is recognized as the difference between these two amounts based on state requirements (see below). Annuity liabilities are recorded for the required life annuity payments at the present value of expected future cash payments discounted using current interest rates and actuarial assumptions for those annuities. The annuity obligations are adjusted each year for changes in the life expectancy of the beneficiaries and are reduced as payments are made to the donor.

Under Chapter 403-E of New Hampshire Revised Statutes Annotated, charitable gift annuities are exempt from insurance regulation. To qualify for exemption, a charity must have been in continuous operation for at least 3 years and have at least \$300,000 in unrestricted cash, cash equivalents or publicly traded securities, not counting the annuity gift. The Society has complied with these requirements.

New Hampshire requires a charity to retain 100 percent of the contributions received for gift annuities, increased by earnings and decreased by annuity payments and properly allocated expenses. Such gifts must be invested in accordance with the general standards of prudent investment (RSA 564-A:3-b) therefore these contributions have been included as temporarily restricted for the remaining life of the donor.

#### *Note 19. Funds Held by Others*

The Society is the beneficiary of the Charles A. Watson, Jr. Endowment Fund for the New Hampshire Historical Society, a designated fund at The New Hampshire Charitable Foundation ("the Foundation"). Pursuant to the terms of the resolution establishing this fund, property contributed to the Foundation is held as a separate fund designated for the benefit of the Society. In accordance with its spending policy the Foundation makes distributions from the fund to the Society. The distributions are approximately 4.03% of the market value of the fund per year. The fund is not included in these financial statements, since all property in the fund was contributed to The Foundation to be held and administered for the benefit of the Society. If the nonprofit organization ceases to exist, the Foundation's Board of Directors will identify another nonprofit that most closely resembles the original charitable intent. The amount received from the fund for the year ended September 30, 2013 was \$7,652. The fair value of the fund assets was \$210,214 at September 30, 2013.

#### *Note 20. Donated Goods and Services*

The value of donated services included as contributions in the financial statements and the corresponding program and support expenses for the year ended September 30, 2013 amounted to \$12,155.

Numerous volunteers have donated significant amounts of time to the Society's fundraising campaign and program services. No amounts have been reflected in the financial statements, as it is impracticable to estimate the fair value of those services.

***Note 21. Concentration of Credit Risk***

The Society maintains cash accounts with several financial institutions. The Society's cash accounts are insured up to \$250,000 per depositor at each financial institution. Amounts on deposit in excess of federally insured limits at September 30, 2013 were approximately \$229,010. A sweep amount of approximately \$259,000 is included in cash in the accompanying statement of financial position. According to the repurchase agreement, these amounts are invested in United States government or agency issued or guaranteed securities.

***Note 22. Related Party Transactions***

The Society maintains a banking relationship with a bank for which the Executive Director of the Society is Chair of the Board of Directors. The banking relationship includes asset accounts equaling \$479,010 and a liability account equaling \$249,500 at September 30, 2013.

The Society entered into an agreement with a conservation center for which a member of the Society's Board of Trustees is Executive Director to perform conservation, digitization and consulting services. During the year ended September 30, 2013 amounts paid to the conservation center amounted to \$22,009. The Board of Trustees has approved an additional amount of \$100,000 for anticipated pecuniary benefit transactions with this company for the fiscal year ending September 30, 2014.

***Note 23. Reclassification***

Certain reclassifications have been made to prior year amounts to conform to the current year presentation. Such reclassifications have had no effect on changes in net assets as previously reported.

***Note 24. Subsequent Events***

The Society has evaluated subsequent events through March 13, 2014, the date which the financial statements were available to be issued, and have not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the year ended September 30, 2013.



**INDEPENDENT AUDITOR'S REPORT  
ON THE SUPPLEMENTARY INFORMATION**

To the Board of Trustees  
New Hampshire Historical Society  
Concord, New Hampshire 03301

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of capital campaign activity are presented for purposes of additional analysis and are 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

*Nathan Wechsler & Company*

Concord, New Hampshire  
March 13, 2014

NEW HAMPSHIRE HISTORICAL SOCIETY

SUPPLEMENTARY SCHEDULES OF CAPITAL CAMPAIGN ACITIVTY

September 30, 2013 and 2012

	2013	2012
Capital campaign contributions	\$ 736,275	810,047
Capital campaign endowment contributions	6,342	99,671
<i>Total support and revenue</i>	<b>742,617</b>	<b>909,718</b>
Operating expenses:		
Contracted services	86,193	62,728
Salaries and wages	72,804	3,692
Travel	5,280	1,004
Food and Beverage	3,985	1,973
Printing and photography	3,356	7
Employee benefits	2,857	-
Telephone	2,536	1,513
Supplies	2,216	2,058
Service contracts	1,365	-
Postage	992	592
Recruiting expense	462	-
Staff development	369	130
Equipment	323	717
Miscellaneous	10	25
<i>Total expenses</i>	<b>182,748</b>	<b>74,439</b>
<i>Net excess of support and revenue over expenses</i>	<b>\$ 559,869</b>	<b>\$ 835,279</b>
Purchase of capitalized items related to the campaign	27,283	-
Minisis contract payments	16,942	-
<i>Non-expense items related to capital campaign</i>	<b>44,225</b>	<b>-</b>
<i>Net current year capital campaign activity</i>	<b>\$ 515,644</b>	<b>\$ 835,279</b>