



**GREATER NEWARK CONSERVANCY, INC.  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2023 and 2022**

GREATER NEWARK CONSERVANCY, INC.  
FINANCIAL STATEMENTS  
June 30, 2023 and 2022

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# GERMAN, VREELAND & ASSOCIATES, LLP

## CERTIFIED PUBLIC ACCOUNTANTS

JEFFREY M. GERMAN, MBA, CPA  
DAVID A. HULSIZER, CPA  
VICTOR MAISANO, CPA  
KEVIN O'CONNOR, MBA, CPA  
RAJESH K. SETHI, CPA, MST

2 RIDGEDALE AVENUE - SUITE 300  
CEDAR KNOLLS, NJ 07927-1119  
(973) 605-2777  
FAX (973) 605-8064  
www.gvacpa.com

MARIA BATTERSHALL, CPA  
ROBERT W. DODDS, CPA\*

RETIRED  
LOUIS T. GERMAN (1923 - 2013)  
CURT L. PALATSKY (1951 - 2018)  
GORDON A. VREELAND

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Greater Newark Conservancy, Inc.  
Newark, New Jersey

#### *Opinion*

We have audited the accompanying financial statements of Greater Newark Conservancy, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Greater Newark Conservancy, Inc. as of June 30, 2023 and 2022, and the changes in its 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Newark Conservancy, 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 opinions.

#### *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 Greater Newark Conservancy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

*Auditor's 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 auditor's 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Greater Newark Conservancy, 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 Greater Newark Conservancy, 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.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2024 on our consideration of Greater Newark Conservancy, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Greater Newark Conservancy, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Newark Conservancy, Inc.'s internal control over financial reporting and compliance.

  
German, Vreeland & Associates, LLP  
Cedar Knolls, New Jersey  
January 30, 2024

GREATER NEWARK CONSERVANCY, INC.  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2023 and 2022

ASSETS	2023	2022
<b>Current assets</b>		
Cash and equivalents	\$ 914,621	\$ 1,133,635
Contributions receivable, net	169,375	409,310
Due from government agency	29,848	44,251
Accounts receivable	31,466	40,987
Prepaid expenses	54,209	19,098
Total current assets	1,199,519	1,647,281
Property and equipment, net	7,984,006	8,184,583
<b>Other assets</b>		
Cash and investments restricted for capital campaign	2,448,781	2,315,650
Contributions receivable restricted for capital campaign, net	892,675	915,997
Trademark	2,525	2,525
Total other assets	3,343,981	3,234,172
<b>TOTAL ASSETS</b>	<b>\$ 12,527,506</b>	<b>\$ 13,066,036</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 187,096	\$ 169,327
 <b>NET ASSETS</b>		
<b>Net assets without donor restrictions</b>		
Board designated	299,442	483,442
Undesignated	8,357,343	8,777,058
Total net assets without donor restrictions	8,656,785	9,260,500
Net assets with donor restrictions	3,683,625	3,636,209
Total net assets	12,340,410	12,896,709
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 12,527,506</b>	<b>\$ 13,066,036</b>

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.  
STATEMENTS OF ACTIVITIES  
Years Ended June 30, 2023 and 2022

	2023			2022		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
<b>SUPPORT AND REVENUE</b>						
Contributions						
Foundation grants	\$ 470,745	\$ 217,100	\$ 687,845	\$ 476,600	\$ 551,000	\$ 1,027,600
Corporate grants	163,308	-	163,308	183,137	-	183,137
Government grants	252,260	-	252,260	64,769	-	64,769
Paychex Protection Program Grants	-	-	-	50,000	-	50,000
Trustee contributions	26,815	-	26,815	32,610	-	32,610
Individual and memorial contributions	69,378	50,000	119,378	162,390	23,679	186,069
Special events, net of direct expenses of \$36,387 and \$23,248 in 2023 and 2022, respectively	87,399	-	87,399	133,155	-	133,155
Program service fees	93,060	-	93,060	74,908	-	74,908
Investment income	1,374	39,122	40,496	517	2,833	3,350
Donated material and services	10,000	-	10,000	5,490	-	5,490
Miscellaneous income	4,584	-	4,584	1,709	-	1,709
	<u>1,178,923</u>	<u>306,222</u>	<u>1,485,145</u>	<u>1,185,285</u>	<u>577,512</u>	<u>1,762,797</u>
Net assets released due to satisfaction of time and purpose restrictions	271,532	(271,532)	-	409,514	(409,514)	-
Total support and revenue	<u>1,450,455</u>	<u>34,690</u>	<u>1,485,145</u>	<u>1,594,799</u>	<u>167,998</u>	<u>1,762,797</u>
<b>EXPENSES</b>						
Program services	1,081,279	-	1,081,279	1,083,534	-	1,083,534
Management and general	584,543	-	584,543	527,768	-	527,768
Fundraising	388,348	-	388,348	287,230	-	287,230
Total expenses	<u>2,054,170</u>	<u>-</u>	<u>2,054,170</u>	<u>1,898,532</u>	<u>-</u>	<u>1,898,532</u>
CHANGE IN NET ASSETS BEFORE OTHER INCOME	(603,715)	34,690	(569,025)	(303,733)	167,998	(135,735)
OTHER INCOME						
Gains and losses on investments	-	12,726	12,726	-	(37,789)	(37,789)
Employee retention credit	-	-	-	352,892	-	352,892
Total other income	<u>-</u>	<u>12,726</u>	<u>12,726</u>	<u>352,892</u>	<u>(37,789)</u>	<u>315,103</u>
CHANGE IN NET ASSETS	(603,715)	47,416	(556,299)	49,159	130,209	179,368
NET ASSETS, Beginning of year	<u>9,260,500</u>	<u>3,636,209</u>	<u>12,896,709</u>	<u>9,211,341</u>	<u>3,506,000</u>	<u>12,717,341</u>
NET ASSETS, End of year	<u>\$ 8,656,785</u>	<u>\$ 3,683,625</u>	<u>\$ 12,340,410</u>	<u>\$ 9,260,500</u>	<u>\$ 3,636,209</u>	<u>\$ 12,896,709</u>

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2023

	Program Services						Total
	Youth and Family Education	Community Greening and Urban Farming	Workforce Development	Total Program Services	Management and General	Fundraising	
Salaries	\$ 126,336	\$ 210,198	\$ 31,624	\$ 368,158	\$ 244,035	\$ 138,364	\$ 750,557
Payroll taxes and benefits	32,005	53,250	8,011	93,266	61,823	35,053	190,142
Occupancy	9,004	14,980	2,254	26,238	17,392	9,861	53,491
Telephone and internet	2,226	3,704	557	6,487	4,300	2,438	13,225
Office supplies	2,338	3,890	585	6,813	4,516	2,561	13,890
Postage	-	12	-	12	-	2,716	2,728
Repairs and maintenance	15,292	25,444	3,828	44,564	29,539	16,748	90,851
Dues and subscriptions	198	329	50	577	382	217	1,176
Insurance	14,573	24,247	3,648	42,468	28,150	15,961	86,579
Travel and vehicle expense	1,474	2,452	369	4,295	2,847	1,614	8,756
Professional services	-	-	-	-	87,000	138,231	225,231
Consulting	16,999	28,284	4,255	49,538	32,837	18,618	100,993
Program expenses	23,763	81,756	2,066	107,585	10,947	-	118,532
Conferences and seminars	993	61	3,527	4,581	4,090	74	8,745
Depreciation	212,722	8,288	-	221,010	49,727	5,525	276,262
Bank and interest charges	-	6	-	6	5,071	-	5,077
Miscellaneous expenses	338	559	84	981	999	367	2,347
Grant expenses	12,900	81,429	-	94,329	-	-	94,329
Equipment purchases	-	371	-	371	888	-	1,259
Donated materials and services	-	10,000	-	10,000	-	-	10,000
<b>Total expenses</b>	<b>\$ 471,161</b>	<b>\$ 549,260</b>	<b>\$ 60,858</b>	<b>\$ 1,081,279</b>	<b>\$ 584,543</b>	<b>\$ 388,348</b>	<b>\$ 2,054,170</b>

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2022

	Program Services							Total
	Youth and Family Education	Community Greening and Urban Farming	Workforce Development	Emergency Food Distribution	Total Program Services	Management and General	Fundraising	
Salaries	\$ 168,708	\$ 127,038	69,491	\$ -	\$ 365,237	\$ 237,091	\$ 117,590	\$ 719,918
Payroll taxes and benefits	34,546	26,013	14,230	-	74,789	48,549	24,079	147,417
Occupancy	14,252	10,732	5,871	-	30,855	20,029	9,934	60,818
Telephone and internet	2,274	1,713	937	-	4,924	3,196	1,585	9,705
Office supplies	4,051	3,051	1,669	-	8,771	5,693	2,824	17,288
Postage	-	-	-	-	-	-	2,929	2,929
Emergency food distribution	-	-	-	69,202	69,202	-	-	69,202
Repairs and maintenance	12,569	9,464	5,177	-	27,210	21,228	5,195	53,633
Dues and subscriptions	405	305	167	-	877	569	282	1,728
Insurance	19,701	14,835	16,115	-	50,651	19,686	13,731	84,068
Travel and vehicle expense	5,474	4,122	2,255	-	11,851	11,258	250	23,359
Professional services	19,312	14,542	7,955	-	41,809	97,510	102,780	242,099
Program expenses	90,258	72,244	1,904	-	164,406	6,127	292	170,825
Conferences and seminars	1,832	540	-	-	2,372	1,756	56	4,184
Depreciation	210,293	8,689	5,699	-	224,681	46,541	5,694	276,916
Bank and interest charges	-	-	-	-	-	8,100	-	8,100
Miscellaneous expenses	189	142	78	-	409	435	9	853
Donated materials and services	-	5,490	-	-	5,490	-	-	5,490
<b>Total expenses</b>	<b>\$ 583,864</b>	<b>\$ 298,920</b>	<b>\$ 131,548</b>	<b>\$ 69,202</b>	<b>\$ 1,083,534</b>	<b>\$ 527,768</b>	<b>\$ 287,230</b>	<b>\$ 1,898,532</b>

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.  
STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (556,299)	\$ 179,368
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	276,262	276,916
Realized and unrealized (gains) losses on investments	(12,726)	37,789
Donated stock	(10,120)	-
Restricted contributions	(50,000)	-
Change in net assets and liabilities		
Contributions receivable	239,935	(285,358)
Due from government agency	14,403	(44,251)
Accounts receivable	9,521	(29,640)
Prepaid expenses	(35,111)	(9,433)
Accounts payable and accrued expenses	17,769	77,948
Refundable advances	-	(48,510)
Deferred revenue	-	(50,000)
Contributions restricted for capital campaign	(150,000)	(139,679)
Net cash (used in) operating activities	(256,366)	(34,850)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of stock	10,120	-
Increase in restricted cash, investments and contributions receivable	(47,083)	(110,222)
Purchases of property and equipment	(75,685)	(131,279)
Net cash (used in) investing activities	(112,648)	(241,501)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for capital campaign	150,000	139,679
Net cash provided by financing activities	150,000	139,679
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(219,014)	(136,672)
<b>CASH AND CASH EQUIVALENTS, Beginning of year</b>	1,133,635	1,270,307
<b>CASH AND CASH EQUIVALENTS, End of year</b>	\$ 914,621	\$ 1,133,635
 <b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Interest paid	\$ -	\$ -
Donated materials and services	\$ 10,000	\$ 5,490

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 1 – ORGANIZATION AND PURPOSE OF THE CORPORATION**

Greater Newark Conservancy, Inc. (the “Conservancy”) is a New Jersey not-for-profit organization that fosters collaboration at the intersection of environmental, food, and racial justice to promote the health and wellbeing of all Newark residents. Since 1987, our programs have worked to reverse the long history of systemic racism to improve social determinants of health by expanding access to green spaces, nutritious food, wellness education, and youth development.

The Conservancy’s youth and family education program provides innovative, hands-on, science-based lessons and field trips for school children in Newark and beyond. Educators, families, and other community members are also provided with nutrition and other programs. Programming focuses on the urban environment and includes activities at the Prudential Outdoor Learning Center, the Conservancy’s school gardens and the Hawthorne Avenue Farm. Activities include in-class reverse field trips, outdoor teaching gardens at Newark schools, nutritional health lessons and activities, and farm to school programming.

The Conservancy’s community greening and urban farming program annually serves Newark residents through its community gardens with resident-adopted planting plots; urban farm lots that generate fresh produce; and a farm stand operation that makes nutritious, healthy foods accessible to Newark residents and beyond. The Conservancy’s 3-acre Hawthorne Avenue Farm is a primary source of fresh produce in Newark’s south ward. In 2023 urban farming initiatives expanded to include the Newark Growers CSA Food Box, which sources produce from more than 10 Newark based growers and other regional producers.

In 2023 the Conservancy launched the Coalition for Healthy Food in Newark Schools, a cross-sector collective impact initiative, established to sustainably transform Newark’s school food system. The coalition is focused on increasing local food procurement, farm-to-school access and garden-based education, farm-to-family access and fitness education, and capacity building for food service staff. This is the first collective impact initiative of the Conservancy, for which it serves as backbone.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The financial statements of the Conservancy have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

***Basis of Presentation***

The Conservancy reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

GREATER NEWARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

*Revenue Recognition*

Unconditional grant awards are recorded as contribution revenue in the period which they are awarded. Grants awards having the existence of a condition but lacking in both the existence of a barrier and right of return to the resource provider, are classified as restricted contribution revenue until conditions of the award are met. Conditional grant awards, having both the existence of a barrier and right of return to the resource provider, are classified as deferred revenue when received and are recognized as contribution revenue when the awards are expended for the purpose of the grant or other conditions are satisfied.

*Contributions Receivable*

Contributions are recognized when the donor makes a promise to give to the Conservancy that is, in substance, unconditional. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured at the present value of future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

*Accounts receivable*

The Conservancy records service fee revenue and accounts receivable as services are provided to customers. Accounts are at least partially reserved if no collection has been made after 90 days if collection is not reasonably assured. Collection attempts continue to be made beyond that point until such time as the uncollectability of the account becomes apparent.

Accounts receivables are stated at the amount management expects to collect from outstanding balances. An allowance for uncollectible accounts receivable is provided based upon management's judgement including such factors as prior collection history and type of contribution. Management has determined that no allowance was required as of June 30, 2023 and 2022.

*Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Property and Equipment*

Property and equipment are stated at cost or at their estimated fair value at date of donation. The Conservancy capitalizes all expenditures for property and equipment in excess of \$1,000. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

*Cash and Cash Equivalents*

The Conservancy considers all highly liquid investments with an initial maturity of three months or less at time of acquisition to be cash equivalents including cash equivalents included in its investment portfolio.

GREATER NEWARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

*Valuation of Long-Lived Assets*

The Conservancy reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amounts of assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these financial statements.

*Functional Allocation of Expenses*

The cost of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

*Concentration of Credit Risk*

The Conservancy maintained cash balances on deposit with financial institutions in excess of insurable limits for the years ended June 30, 2023 and 2022. The condition is mitigated by having funds deposited with high quality financial institutions. The Conservancy does not believe that it is exposed to any significant credit risk on its cash and cash equivalents.

*Income Taxes*

The Conservancy is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and state income tax under similar provisions. Accordingly, no provision for Federal income tax has been recorded in the statements of activities and changes in net assets. The Conservancy had no unrecognized benefits at June 30, 2023 and 2022 and has incurred no interest or penalties related to income taxes for the periods presented in the financial statements.

*Donated Materials*

The Conservancy receives various donated materials for its programs. Donated materials are recorded as unrestricted revenue at their estimated fair market value when received.

*Donated Services*

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Conservancy.

*New Accounting Pronouncements*

ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

GREATER NEWARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 3 – CASH AND INVESTMENTS RESTRICTED TO CAPITAL CAMPAIGN**

The Conservancy’s investment portfolio consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>			
	<u>Total</u>	<u>Quoted Prices In Active Markets (Level 1)</u>	<u>Observable Measurement Criteria (Level 2)</u>	<u>Unobservable Measurement Criteria (Level 3)</u>
Cash and equivalents	\$ 481,745	\$ 481,745	\$ -	\$ -
Government securities	357,261	357,261	-	-
Certificates of deposit	1,609,775	-	1,609,775	-
<b>Total</b>	<b>\$ 2,448,781</b>	<b>\$ 839,006</b>	<b>\$ 1,609,775</b>	<b>\$ -</b>

  

	<u>2022</u>			
	<u>Total</u>	<u>Quoted Prices In Active Markets (Level 1)</u>	<u>Observable Measurement Criteria (Level 2)</u>	<u>Unobservable Measurement Criteria (Level 3)</u>
Cash and equivalents	\$ 162,863	\$ 162,863	\$ -	\$ -
Government securities	770,621	770,621	-	-
Certificates of deposit	1,382,166	-	1,382,166	-
<b>Total</b>	<b>\$ 2,315,650</b>	<b>\$ 933,484</b>	<b>\$ 1,382,166</b>	<b>\$ -</b>

The Conservancy has reviewed investments within the framework for measuring fair value which establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. The Conservancy values such assets using quoted market prices in active markets (Level 1) for identical assets to the extent possible. If such markets are not available, the Conservancy values such assets using observable measurement criteria, including quoted market prices of similar assets in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Conservancy develops measurement criteria based on the best information available (Level 3).

GREATER NEWARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 4 – CONTRIBUTIONS RECEIVABLE**

Unconditional promises to give at June 30, are as follows:

	<u>2023</u>	<u>2022</u>
Less than one year	\$ 1,014,875	\$ 1,314,810
1-5 years	50,000	11,000
	<u>1,064,875</u>	<u>1,325,810</u>
Less: Unamortized discount	(2,825)	(503)
Net unconditional promises to give	<u>\$ 1,062,050</u>	<u>\$ 1,325,307</u>

Unconditional promises to give due in more than one year are recognized at fair value, using present value techniques and a discount rate of 2%. Uncollectible amounts for unconditional promises to give are expected to be insignificant.

**NOTE 5 – DUE FROM GOVERNMENT AGENCY**

Due from government agency at June 30, are as follows:

	<u>2023</u>	<u>2022</u>
US Department of Agriculture	<u>\$ 29,848</u>	<u>\$ 44,251</u>

**NOTE 6 – PROPERTY AND EQUIPMENT, NET**

Property and equipment consisted of the following as of June 30:

	Estimated Useful Life (Years)	<u>2023</u>	<u>2022</u>
Land	N/A	\$ 74,325	\$ 74,325
Main Building (Education Center)	40	6,150,138	6,150,138
Field equipment	5	31,838	31,838
Vehicles	5	136,836	136,836
Office equipment	5	231,631	229,881
Leasehold improvements	15	122,577	122,577
Outdoor Learning Center	40	3,247,483	3,247,483
Office building and improvements	40	894,774	894,774
Tent	5	11,775	11,775
Construction in progress	-	132,835	58,900
		<u>11,034,212</u>	<u>10,958,527</u>
Less: accumulated depreciation		(3,050,206)	(2,773,944)
Property and equipment, net		<u>\$ 7,984,006</u>	<u>\$ 8,184,583</u>

Depreciation expense amounted to \$276,262 and \$276,916 for the years ended June 30, 2023 and 2022, respectively.

GREATER NEWARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 7 – NET ASSETS**

*Board designated net assets*

Board designated net assets are classified as net assets without donor restrictions in the statement of financial position. The Conservancy established the 25<sup>th</sup> anniversary fund in 2012 and has accepted contributions to support this fund. The purpose of this fund, as designated by the Board, is to provide the Conservancy with resources in the event of an economic downturn or in the event that short-term cash flow is required to cover necessary expenses. At June 30, 2023 and 2022, the balance of this fund was \$299,442. A Board resolution is required to use these funds. In addition, the Conservancy has appropriated \$184,000 of the employee retention credit for expenditure in the fiscal year ending June 30, 2023.

*Donor restricted net assets*

Donor restricted net assets are available for the following purposes at June 30:

	<u>2023</u>	<u>2022</u>
Time and purpose restrictions		
Capital projects	\$ 3,474,291	\$ 3,222,145
Community greening and Urban Farming	23,229	15,000
Education	13,361	3,000
Repairs and maintenance	13,348	25,000
Equipment	10,000	-
Time restrictions	149,396	371,064
	<u>\$ 3,683,625</u>	<u>\$ 3,636,209</u>

The following represents donor restricted net assets released from donor restrictions for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Time and purpose restrictions		
Community greening and Urban Farming	\$ 6,772	\$ 69,955
Education	6,739	41,921
Newark Youth Leadership Program	-	15,000
Other reentry	-	30,496
Covid-19 related	-	64,203
Repairs and maintenance	36,652	(17,628)
Time restrictions	221,369	205,567
	<u>\$ 271,532</u>	<u>\$ 409,514</u>

GREATER NEWARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 8 - PAYCHECK PROTECTION LOANS**

On April 28, 2020, the Conservancy was granted a loan from a bank in the amount of \$210,175, pursuant to the Paycheck Protection Program (the "PPP") under the CARES Act, which was enacted March 27, 2020. The loan, which is in the form of a note dated April 28, 2020 matures on April 1, 2022 and bears interest at a rate of 1.00% per annum. The note may be prepaid at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations (qualifying expenses). The Conservancy used the entire loan amount for qualifying expenses. Under the terms of the PPP, the loan may be forgiven if it is used for qualifying expenses as described in the CARES Act. The Conservancy applied for forgiveness and was granted forgiveness for the entire amount of the loan in August 2021.

On February 17, 2021, the Conservancy received a second draw loan from a bank under the PPP in the amount of \$154,005. The loan is in the form of a promissory note dated February 17, 2021. The loan matures on February 17, 2026 and bears interest at a rate of 1.00% per annum. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, rent, utilities, and other qualifying expenses. The Conservancy used the entire loan amount for qualifying expenses. Under the terms of the PPP, the loan may be forgiven if it is used for qualifying expenses as described in the CARES Act. The Conservancy applied for forgiveness and was granted forgiveness for the entire amount of the loan in March 2022.

On June 10, 2020, the American Institute of Certified Public Accountants issued accounting guidance for PPP loans. The guidance includes multiple accounting options. The Conservancy chose to account for the loan as a conditional contribution in accordance with FASB ASC 958-605 as it expects to meet the PPP's eligibility requirements and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven. According to ASC 958-605 the loan is initially recorded as deferred revenue and is recognized as income when conditions of the grant (qualifying expenses) are substantially met. During the year ended June 30, 2022, the Conservancy recognized \$50,000 of revenue.

**NOTE 9 - LINE OF CREDIT**

The Conservancy has a line of credit from a financial institution for a maximum borrowing of \$250,000 expiring January 1, 2024. Interest is computed at the floating rate of the Wall Street Journal Prime Rate and shall be accrued on any outstanding balances. The interest will adjust immediately upon any change to the Wall Street Journal Prime Rate. At no time shall the rate fall below 4.0%. The borrowings are secured by the Conservancy's assets. At June 30, 2023, no amount was outstanding on this line of credit.

**NOTE 10 - DEFINED CONTRIBUTION PLAN**

The Conservancy maintains a 401(k) defined contribution pension plan (the "Plan") covering all employees who satisfy certain eligibility requirements. Under the terms of the Plan, the Conservancy makes annual discretionary contributions to the Plan based upon a percentage of eligible employee wages. Pension expense for the years ended June 30, 2023 and 2022, was \$-0- and \$-0-, respectively.

GREATER NEWARK CONSERVANCY, INC.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2023 and 2022

**NOTE 11 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Conservancy’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions and operating reserves:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 914,621	\$ 1,133,635
Contributions receivable	1,062,050	1,325,307
Due from government agency	29,848	44,251
Accounts receivable	31,466	40,987
Cash and investments	2,448,781	2,315,650
Total financial assets	4,486,766	4,859,830
Contractual and donor-imposed restrictions	(3,683,625)	(3,636,209)
Financial assets available to meet cash needs For general expenditures within one year	\$ 803,141	\$ 1,223,621

**NOTE 12 – OPERATING LEASE**

The Conservancy has a 60 month non-cancellable lease for certain equipment which expires in December 2024. Rental expense is \$624 per month. Future minimum lease payments under the non-cancellable lease are as follows:

<u>Years ended June 30,</u>	<u>Amount</u>
2024	\$ 7,487
2025	<u>3,744</u>
Total	<u>\$11,231</u>

**NOTE 13 – EMPLOYEE RETENTION CREDIT**

The CARES Act provides an employee retention credit (“CARES Employee Retention credit”), which is a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee through December 31, 2020. Additional relief provisions were passed by the United States government, which extend and expand the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to \$10,000 of qualified wages per quarter. The Conservancy qualifies for the tax credit under the CARES Act. During the year ended June 30, 2022, the Conservancy recorded \$352,892 related to the CARES Employee Retention Credit. As indicated in Note 7, the Conservancy has appropriated \$184,000 of the employee retention credit for expenditure in the fiscal year ending June 30, 2023.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 30, 2024, the date on which the financial statements were available to be issued. There were no subsequent events or disclosures that require recognition or disclosure in the financial statements.

# GERMAN, VREELAND & ASSOCIATES, LLP

## CERTIFIED PUBLIC ACCOUNTANTS

JEFFREY M. GERMAN, MBA, CPA  
DAVID A. HULSIZER, CPA  
VICTOR MAISANO, CPA  
KEVIN O'CONNOR, MBA, CPA  
RAJESH K. SETHI, CPA, MST

2 RIDGEDALE AVENUE - SUITE 300  
CEDAR KNOLLS, NJ 07927-1119  
(973) 605-2777  
FAX (973) 605-8064  
www.gvacpa.com

MARIA BATTERSHALL, CPA  
ROBERT W. DODDS, CPA\*  
RETIRED  
LOUIS T. GERMAN (1923 - 2013)  
CURT L. PALATSKY (1951 - 2018)  
GORDON A. VREELAND

### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of  
Greater Newark Conservancy, Inc.  
Newark, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greater Newark Conservancy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 30, 2024.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greater Newark Conservancy, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater Newark Conservancy, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Greater Newark Conservancy, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Newark Conservancy, Inc.'s are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



German, Vreeland & Associates, LLP  
Cedar Knolls, New Jersey  
January 30, 2024