



**GREATER NEWARK CONSERVANCY, INC.
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2024 and 2023**

GREATER NEWARK CONSERVANCY, INC.
FINANCIAL STATEMENTS
June 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

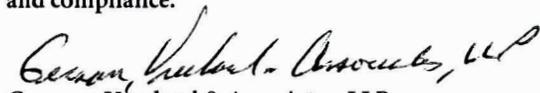
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 29, 2025 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 29, 2025

GREATER NEWARK CONSERVANCY, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

<u>ASSETS</u>	2024	2023
Current assets		
Cash and equivalents	\$ 859,698	\$ 914,621
Grants and contributions receivable, net	2,685,036	169,375
Due from government agencies	56,458	29,848
Accounts receivable	41,948	31,466
Investments	128,053	-
Prepaid expenses	107,200	54,209
Total current assets	3,878,393	1,199,519
 Property and equipment, net	 7,793,916	 7,984,006
 Other assets		
Cash and investments restricted for capital campaign	2,576,324	2,448,781
Contributions receivable restricted for capital campaign, net	892,667	892,675
Trademark	2,525	2,525
Total other assets	3,471,516	3,343,981
 TOTAL ASSETS	\$ 15,143,825	\$ 12,527,506
 <u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 224,431	\$ 187,096
 NET ASSETS		
Net assets without donor restrictions		
Board designated	299,442	299,442
Undesignated	8,004,506	8,357,343
Total net assets without donor restrictions	8,303,948	8,656,785
Net assets with donor restrictions	6,615,446	3,683,625
Total net assets	14,919,394	12,340,410
 TOTAL LIABILITIES AND NET ASSETS	\$ 15,143,825	\$ 12,527,506

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2024 and 2023

	2024			2023		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
SUPPORT AND REVENUE						
Contributions						
Foundation grants	\$ 397,986	\$ 193,000	\$ 590,986	\$ 470,745	\$ 217,100	\$ 687,845
Corporate grants	87,308	3,854,093	3,941,401	163,308	-	163,308
Government grants	134,588	-	134,588	252,260	-	252,260
Trustee contributions	18,820	-	18,820	26,815	-	26,815
Individual and memorial contributions	70,611	29,780	100,391	69,378	50,000	119,378
Special events, net of direct expenses of \$36,067 and \$23,248 in 2024 and 2023, respectively	108,701	-	108,701	87,399	-	87,399
Program service fees	208,934	-	208,934	93,060	-	93,060
Investment income	11,122	85,147	96,269	1,374	39,122	40,496
Donated material and services	15,000	-	15,000	10,000	-	10,000
Miscellaneous income	4,412	-	4,412	4,584	-	4,584
	<u>1,057,482</u>	<u>4,162,020</u>	<u>5,219,502</u>	<u>1,178,923</u>	<u>306,222</u>	<u>1,485,145</u>
Net assets released due to satisfaction of time and purpose retrictions	1,268,840	(1,268,840)	-	271,532	(271,532)	-
Total support and revenue	<u>2,326,322</u>	<u>2,893,180</u>	<u>5,219,502</u>	<u>1,450,455</u>	<u>34,690</u>	<u>1,485,145</u>
EXPENSES						
Program services	1,962,804	-	1,962,804	1,081,279	-	1,081,279
Management and general	434,335	-	434,335	584,543	-	584,543
Fundraising	282,020	-	282,020	388,348	-	388,348
Total expenses	<u>2,679,159</u>	<u>-</u>	<u>2,679,159</u>	<u>2,054,170</u>	<u>-</u>	<u>2,054,170</u>
CHANGE IN NET ASSETS BEFORE OTHER INCOME	(352,837)	2,893,180	2,540,343	(603,715)	34,690	(569,025)
OTHER INCOME						
Gains on investments	-	38,641	38,641	-	12,726	12,726
CHANGE IN NET ASSETS	(352,837)	2,931,821	2,578,984	(603,715)	47,416	(556,299)
NET ASSETS, Beginning of year	8,656,785	3,683,625	12,340,410	9,260,500	3,636,209	12,896,709
NET ASSETS, End of year	<u>\$ 8,303,948</u>	<u>\$ 6,615,446</u>	<u>\$ 14,919,394</u>	<u>\$ 8,656,785</u>	<u>\$ 3,683,625</u>	<u>\$ 12,340,410</u>

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program Services						Total
	Youth and Family Education	Community Greening and Urban Farming	Coalition for Healthy Foods	Total Program Services	Management and General	Fundraising	
Salaries	\$ 179,031	\$ 192,907	\$ 85,644	\$ 457,582	\$ 150,635	\$ 112,117	\$ 720,334
Payroll taxes and benefits	47,676	57,169	25,071	129,916	35,606	21,908	187,430
Occupancy	16,118	17,367	7,710	41,195	13,767	10,094	65,056
Telephone and internet	3,083	5,070	1,420	9,573	2,392	1,780	13,745
Office supplies	4,298	4,794	2,681	11,773	15,846	4,498	32,117
Postage	-	-	-	-	36	214	250
Repairs and maintenance	108	5,390	-	5,498	21,893	88	27,479
Dues and subscriptions	186	758	29	973	1,087	-	2,060
Insurance	26,509	28,564	12,681	67,754	22,305	-	90,059
Travel and vehicle expense	1,178	1,488	505	3,171	888	-	4,059
Communications and marketing	-	127	21,607	21,734	12,136	-	33,870
Professional services	-	-	-	-	94,200	119,300	213,500
Consulting	46,019	69,327	8,696	124,042	14,405	10,874	149,321
Program expenses	37,695	49,679	41,427	128,801	-	-	128,801
Conferences and seminars	7,653	9,848	571	18,072	6,043	95	24,210
Depreciation	164,933	51,088	22,681	238,702	39,894	-	278,596
Bank and interest charges	1,544	1,637	727	3,908	1,278	952	6,138
Miscellaneous expenses	-	10	-	10	849	-	859
Grant expenses	6,800	53,580	624,720	685,100	-	-	685,100
Bad debts	-	-	-	-	1,075	100	1,175
Donated materials and services	-	15,000	-	15,000	-	-	15,000
Total expenses	\$ 542,831	\$ 563,803	\$ 856,170	\$ 1,962,804	\$ 434,335	\$ 282,020	\$ 2,679,159

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
Total expenses	\$ 471,161	\$ 549,260	\$ 60,858	\$ 1,081,279	\$ 584,543	\$ 388,348	\$ 2,054,170

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,578,984	\$ (556,299)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	278,596	276,262
Realized and unrealized (gains) losses on investments	(38,641)	(12,726)
Donated stock	-	(10,120)
Restricted contributions	-	(50,000)
Change in net assets and liabilities		
Grants and contributions receivable	(2,515,661)	239,935
Due from government agencies	(26,610)	14,403
Accounts receivable	(10,482)	9,521
Prepaid expenses	(52,991)	(35,111)
Accounts payable and accrued expenses	37,335	17,769
Contributions restricted for capital campaign	(17,113)	(150,000)
Net cash provided by (used in) operating activities	233,417	(256,366)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of stock	-	10,120
Purchase of investments	(128,053)	-
Increase in restricted cash, investments and contributions receivable	(88,894)	(47,083)
Purchases of property and equipment	(88,506)	(75,685)
Net cash (used in) investing activities	(305,453)	(112,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for capital campaign	17,113	150,000
Net cash provided by financing activities	17,113	150,000
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(54,923)	(219,014)
CASH AND CASH EQUIVALENTS, Beginning of year	914,621	1,133,635
CASH AND CASH EQUIVALENTS, End of year	\$ 859,698	\$ 914,621
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	\$ -	\$ -
Donated materials and services	\$ 15,000	\$ 10,000

See accompanying notes.

GREATER NEWARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

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. Annually Conservancy programming reaches approximately 7,000 individuals.

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 our 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, healthy recipe demonstrations, and farm to school programming. The combined education programs reach approximately 5,000 children and adults during the course of the year.

The Conservancy's community greening and urban farming program annually serves about 2,000 Newark residents through its community gardens with resident-adopted planting plots; urban farm lots that generate fresh produce; and a farm stand/farmer's market 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 which serves 41,672 students in its 63 schools. The coalition is focused on increasing local food procurement, farm-to-school access, garden-based education, farm-to-family access, fitness education, and capacity building for food service staff. This is the first collective impact initiative of the Conservancy, for which it serves as a backbone agency.

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, 2024 and 2023

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, 2024 and 2023.

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, 2024 and 2023

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. Expenses are allocated using time and effort.

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, 2024 and 2023. 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, 2024 and 2023 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

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses* (ASC 326). The Conservancy has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets utilizing the modified retrospective transition method. The adoption of CECL resulted in changes to the Conservancy's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The adoption of this standard did not have a material impact on the Conservancy's financial statements but did change how the allowance for credit losses is determined.

GREATER NEWARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 3 - INVESTMENTS

The Conservancy's investment portfolio consisted of the following at June 30, 2024 and 2023:

	2024			
	Total	Quoted Prices In Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Cash and equivalents	\$ 62,288	\$ 62,288	\$ -	\$ -
Mutual funds	622,002	622,002	-	-
Certificates of deposit	2,020,087	-	2,020,087	-
Total	\$ 2,704,377	\$ 684,290	\$ 2,020,087	\$ -
	2023			
	Total	Quoted Prices In Active Markets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
Cash and equivalents	\$ 481,745	\$ 481,745	\$ -	\$ -
Mutual funds	357,261	357,261	-	-
Certificates of deposit	1,609,775	-	1,609,775	-
Total	\$ 2,448,781	\$ 839,006	\$ 1,609,775	\$ -

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, 2024 and 2023

NOTE 4 – GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable are due in the following periods:

	<u>2024</u>	<u>2023</u>
Less than one year	\$ 2,308,445	\$ 1,014,875
1-5 years	1,333,863	50,000
	<u>3,642,308</u>	<u>1,064,875</u>
Less: Unamortized discount	(64,605)	(2,825)
Net unconditional promises to give	<u>\$ 3,577,703</u>	<u>\$ 1,062,050</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 5.09%. Uncollectible amounts for unconditional promises to give are expected to be insignificant.

NOTE 5 – DUE FROM GOVERNMENT AGENCIES

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

	<u>2024</u>	<u>2023</u>
US Department of Agriculture	\$ 26,539	\$ 29,848
City of Newark, New Jersey	29,919	-
Total	<u>\$ 56,458</u>	<u>\$ 29,848</u>

NOTE 6 – PROPERTY AND EQUIPMENT, NET

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

	Estimated Useful Life (Years)	<u>2024</u>	<u>2023</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	253,631	231,631
Leasehold improvements	15	122,577	122,577
Outdoor Learning Center	40	3,247,483	3,247,483
Office building and improvements	20-40	904,774	894,774
Tent	5	11,775	11,775
Construction in progress	-	189,341	132,835
		<u>11,122,718</u>	<u>11,034,212</u>
Less: accumulated depreciation		(3,328,802)	(3,050,206)
Property and equipment, net		<u>\$ 7,793,916</u>	<u>\$ 7,984,006</u>

Depreciation expense amounted to \$278,596 and \$276,262 for the years ended June 30, 2024 and 2023, respectively.

GREATER NEWARK CONSERVANCY, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2024 and 2023

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 25th 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, 2024 and 2023, the balance of this fund was \$299,442. A Board resolution is required to use these funds.

Donor restricted net assets

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

	<u>2024</u>	<u>2023</u>
Time and purpose restrictions		
Capital projects	\$ 3,617,459	\$ 3,474,291
Community greening and urban farming	42,002	23,229
Education	25,100	13,361
Repairs and maintenance	-	13,348
Equipment	10,000	10,000
Professional development	5,000	-
Coalition for healthy food	2,905,885	-
Time restrictions	10,000	149,396
	<u>\$ 6,615,446</u>	<u>\$ 3,683,625</u>

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

	<u>2024</u>	<u>2023</u>
Time and purpose restrictions		
Community greening and urban farming	\$ 105,746	\$ 6,772
Education	101,261	6,739
Coalition for health food	961,842	-
Equipment	10,000	-
Repairs and maintenance	6,975	36,652
Time restrictions	83,016	221,369
	<u>\$ 1,268,840</u>	<u>\$ 271,532</u>

GREATER NEWARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 8 - LINE OF CREDIT

The Conservancy has a line of credit from a financial institution for a maximum borrowing of \$250,000 expiring September 1, 2025. 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 7.0%. The borrowings are secured by the Conservancy's assets. At June 30, 2024, no amount was outstanding on this line of credit.

NOTE 9 - PENSION PLANS

The Conservancy maintained 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 made annual discretionary contributions to the Plan based upon a percentage of eligible employee wages. Pension expense relating to the 401(k) plan for the years ended June 30, 2024 and 2023, was \$-0- and \$-0-, respectively. The Plan was terminated during the fiscal year ending June 30, 2024.

During the fiscal year ended June 30, 2024, the Conservancy adopted a Savings Incentive Match Plan for Employees (Simple IRA). The Conservancy matches dollar-for-dollar the employee's elective deferrals (including catch-up contributions) up to 3% of the employee's compensation. The Conservancy made a \$21,735 matching contribution to the Simple IRA for the year ended June 30, 2024.

NOTE 10 - 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>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 859,698	\$ 914,621
Grants and contributions receivable	3,577,703	1,062,050
Due from government agencies	56,458	29,848
Accounts receivable	41,948	31,466
Cash and investments	2,704,377	2,448,781
Total financial assets	<u>7,240,184</u>	<u>4,486,766</u>
Contractual and donor-imposed restrictions	<u>(6,615,446)</u>	<u>(3,683,625)</u>
Financial assets available to meet cash needs For general expenditures within one year	<u>\$ 624,738</u>	<u>\$ 803,141</u>

GREATER NEWARK CONSERVANCY, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2024 and 2023

NOTE 11 – 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 12 – 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. The Conservancy has appropriated \$184,000 of the employee retention credit for expenditure in the fiscal year ending June 30, 2023.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 29, 2025, 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

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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, 2024, 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 29, 2025.

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 29, 2025