



GREATER NEWARK CONSERVANCY, INC.

Financial Statements

June 30, 2015 and 2014

With Independent Auditors' Report

Greater Newark Conservancy, Inc.
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June 30, 2015 and 2014

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One Spring Street
New Brunswick, NJ 08901
732 828 1614 fax 732 828 5156
www.withum.com

Additional Offices in New Jersey, New York,
Pennsylvania, Massachusetts, Florida,
Colorado and Grand Cayman

Independent Auditors' Report

To the Board of Directors,
Greater Newark Conservancy, Inc.:

We have audited the accompanying financial statements of Greater Newark Conservancy, Inc. ("the Conservancy"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets, cash flows and functional expenses for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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 Conservancy'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 Conservancy'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 Greater Newark Conservancy, Inc. as of June 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

William Smith + Brown, PC

November 17, 2015

Greater Newark Conservancy, Inc.
Statements of Financial Position
June 30, 2015 and 2014

	2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$ 605,838	\$ 1,606,791
Investments	139,288	139,110
Due from governmental agencies	456,400	811,904
Contributions receivable, net	826,820	194,981
Accounts receivable	28,631	28,178
Prepaid expenses	60,976	60,731
Total current assets	<u>2,117,953</u>	<u>2,841,695</u>
Property and equipment, net	3,646,964	3,748,655
Construction in progress	5,753,798	4,289,186
Other assets		
Contributions receivable, net	69,027	156,083
Trademark	2,525	2,525
Total other assets	<u>71,552</u>	<u>158,608</u>
	<u>\$ 11,590,267</u>	<u>\$ 11,038,144</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 300,228	\$ 723,822
Note payable - current portion	96,086	94,185
Total current liabilities	<u>396,314</u>	<u>818,007</u>
Long-term liabilities		
Note payable - net of current portion	97,837	193,923
Total liabilities	<u>494,151</u>	<u>1,011,930</u>
Net assets		
Unrestricted		
Board designated for 25th anniversary fund	284,442	284,442
Available for general operations	9,074,276	7,919,080
Total unrestricted net assets	<u>9,358,718</u>	<u>8,203,522</u>
Temporarily restricted	<u>1,737,398</u>	<u>1,822,692</u>
Total net assets	<u>11,096,116</u>	<u>10,026,214</u>
	<u>\$ 11,590,267</u>	<u>\$ 11,038,144</u>

The Notes to Financial Statements are an integral part of these statements.

Greater Newark Conservancy, Inc.
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Foundation grants	\$ 510,495	\$ 378,874	\$ 889,369	\$ 402,134	\$ 634,405	\$ 1,036,539
Corporate grants	46,452	1,050,000	1,096,452	57,215	--	57,215
Government grants	740,968	--	740,968	879,528	--	879,528
Trustee contributions	69,860	986	70,846	187,002	--	187,002
Individual contributions	178,209	1,172	179,381	42,006	--	42,006
25th anniversary fund contributions	--	--	--	2,952	--	2,952
Special events, net of direct expenses of \$15,579 and \$27,659 in 2015 and 2014, respectively	73,435	--	73,435	156,056	--	156,056
Fees	86,809	--	86,809	61,860	--	61,860
Investment income	114	--	114	3,680	--	3,680
In-kind contributions	32,890	--	32,890	8,400	--	8,400
Gain on disposal of property and equipment	19,755	--	19,755	--	--	--
Miscellaneous income	2,083	--	2,083	18,212	--	18,212
	<u>1,761,070</u>	<u>1,431,032</u>	<u>3,192,102</u>	<u>1,819,045</u>	<u>634,405</u>	<u>2,453,450</u>
Net assets released due to satisfaction of time or purpose restriction	<u>1,516,326</u>	<u>(1,516,326)</u>	<u>--</u>	<u>2,106,502</u>	<u>(2,106,502)</u>	<u>--</u>
	<u>3,277,396</u>	<u>(85,294)</u>	<u>3,192,102</u>	<u>3,925,547</u>	<u>(1,472,097)</u>	<u>2,453,450</u>
Expenses						
Program services	1,683,533	--	1,683,533	1,784,146	--	1,784,146
Management and general	170,519	--	170,519	114,052	--	114,052
Fundraising	268,148	--	268,148	262,909	--	262,909
	<u>2,122,200</u>	<u>--</u>	<u>2,122,200</u>	<u>2,161,107</u>	<u>--</u>	<u>2,161,107</u>
Changes in net assets	1,155,196	(85,294)	1,069,902	1,764,440	(1,472,097)	292,343
Net assets, beginning of year	<u>8,203,522</u>	<u>1,822,692</u>	<u>10,026,214</u>	<u>6,439,082</u>	<u>3,294,789</u>	<u>9,733,871</u>
Net assets, end of year	<u>\$ 9,358,718</u>	<u>\$ 1,737,398</u>	<u>\$ 11,096,116</u>	<u>\$ 8,203,522</u>	<u>\$ 1,822,692</u>	<u>\$ 10,026,214</u>

The Notes to Financial Statements are an integral part of these statements.

Greater Newark Conservancy, Inc.
Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Changes in net assets	\$ 1,069,902	\$ 292,343
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
Depreciation	156,855	149,649
Present value adjustment on contributions receivable	(12,944)	(11,202)
Accretion of debt	5,815	7,679
Gain on disposal of property and equipment	(19,755)	--
Donated property and equipment	(7,000)	--
Changes in assets and liabilities		
Due from governmental agencies	355,504	(632,686)
Contributions receivable	(531,839)	122,233
Accounts receivable	(453)	27,918
Prepaid expenses	(245)	(14,069)
Accounts payable and accrued expenses	(429,437)	(23,598)
Net cash provided (used) by operating activities	<u>586,403</u>	<u>(81,733)</u>
Cash flows from investing activities		
Proceeds from sales of certificates of deposit	130,701	1,515,468
Purchase of certificates of deposit and reinvested investment income	(130,879)	(3,680)
Purchases of property and equipment	(50,084)	(114,914)
Proceeds from disposal of property and equipment	21,675	--
Increase in construction in progress	(1,458,769)	(1,328,717)
Net cash (used) provided by investing activities	<u>(1,487,356)</u>	<u>68,157</u>
Cash flows used by financing activities		
Principal payment of note payable	<u>(100,000)</u>	<u>(100,000)</u>
Net change in cash and cash equivalents	(1,000,953)	(113,576)
Cash and cash equivalents		
Beginning of year	<u>1,606,791</u>	<u>1,720,367</u>
End of year	<u>\$ 605,838</u>	<u>\$ 1,606,791</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 6,172</u>	<u>\$ 8,437</u>
Donated materials and supplies	<u>\$ 32,890</u>	<u>\$ 8,400</u>
Non-cash investing activities		
Increase in construction in progress and accounts payable and accrued expenses	<u>\$ 5,843</u>	<u>\$ 537,538</u>

There were no amounts paid for incomes taxes during the years ended June 30, 2015 and 2014.

Greater Newark Conservancy, Inc.
Statements of Functional Expenses
Year Ended June 30, 2015

	Program Services						Management and General	Fundraising	Total
	Education	Environmental Justice	Community Greening and Urban Farming	NYLP/ Farm Stand	Clean & Green/ Hot Spot	Total Program Services			
Salaries	\$ 277,809	\$ 10,474	\$ 316,783	\$ 131,413	\$ 180,434	\$ 916,913	\$ 80,159	\$ 163,349	\$ 1,160,421
Fringe benefits	61,524	2,164	67,713	32,557	43,443	207,401	25,510	33,947	266,858
Occupancy	10,457	362	4,661	1,910	2,765	20,155	1,728	2,665	24,548
Telephone	2,422	182	2,923	1,426	9,847	16,800	3,097	1,454	21,351
Office expenses	9,349	153	2,998	1,012	9,946	23,458	23,551	1,546	48,555
Postage	816	105	1,149	375	521	2,966	884	1,609	5,459
Equipment	2,880	245	3,316	1,198	10,711	18,350	15	1,723	20,088
Repairs and maintenance	269	23	594	254	1,422	2,562	771	188	3,521
Dues and subscriptions	50	--	185	--	--	235	782	--	1,017
Insurance	8,552	477	23,101	9,132	22,737	63,999	8,354	5,868	78,221
Printing	2,971	151	1,780	605	1,142	6,649	804	3,190	10,643
Travel and vehicle expense	1,850	56	12,378	1,169	20,870	36,323	700	229	37,252
Professional services	14,749	899	12,968	3,822	6,082	38,520	9,855	10,675	59,050
Program expenses	12,315	--	135,781	21,757	18,137	187,990	--	25,890	213,880
Conferences and seminars	592	--	548	165	(511)	794	4,346	148	5,288
Landscaping supplies and expenses	--	--	3,021	--	--	3,021	--	--	3,021
Depreciation	97,045	1,478	20,444	5,911	12,519	137,397	9,606	9,852	156,855
Interest expense	--	--	--	--	--	--	357	5,815	6,172
	<u>\$ 503,650</u>	<u>\$ 16,769</u>	<u>\$ 610,343</u>	<u>\$ 212,706</u>	<u>\$ 340,065</u>	<u>\$ 1,683,533</u>	<u>\$ 170,519</u>	<u>\$ 268,148</u>	<u>\$ 2,122,200</u>

The Notes to Financial Statements are an integral part of this statement.

Greater Newark Conservancy, Inc.
Statements of Functional Expenses
Year Ended June 30, 2014

	Program Services					Total Program Services	Management and General	Fundraising	Total
	Education	Environmental Justice	Community Greening and Urban Farming	NYLP/ Farm Stand	Clean & Green/ Hot Spot				
Salaries	\$ 270,651	\$ 4,728	\$ 222,738	\$ 140,492	\$ 274,274	\$ 912,883	\$ 56,088	\$ 175,174	\$ 1,144,145
Fringe benefits	55,740	677	48,084	30,628	54,171	189,300	19,966	41,125	250,391
Occupancy	9,472	--	4,267	2,050	4,291	20,080	987	3,122	24,189
Telephone	3,275	--	2,614	1,676	8,435	16,000	612	1,645	18,257
Office expenses	5,738	1,150	4,494	2,640	19,275	33,297	9,411	3,663	46,371
Postage	1,463	--	1,150	630	1,345	4,588	603	1,295	6,486
Equipment	2,141	--	1,922	1,083	14,565	19,711	901	2,852	23,464
Repairs and maintenance	6,809	--	1,662	934	2,587	11,992	298	939	13,229
Dues and subscriptions	125	--	--	--	--	125	2,128	--	2,253
Insurance	11,307	--	15,104	7,148	19,583	53,142	9,576	3,328	66,046
Printing	4,081	640	5,358	2,183	2,634	14,896	993	1,800	17,689
Travel	1,959	139	9,425	1,563	39,440	52,526	1,865	1,452	55,843
Professional services	14,155	--	39,719	6,855	12,985	73,714	2,701	8,548	84,963
Program expenses	18,680	279	103,652	27,157	87,390	237,158	--	--	237,158
Conferences and seminars	1,263	--	200	--	470	1,933	4,201	--	6,134
Landscaping supplies and expenses	--	--	6,403	--	--	6,403	--	--	6,403
Depreciation	99,960	--	11,925	7,288	17,225	136,398	3,182	10,069	149,649
Interest expense	--	--	--	--	--	--	540	7,897	8,437
	<u>\$ 506,819</u>	<u>\$ 7,613</u>	<u>\$ 478,717</u>	<u>\$ 232,327</u>	<u>\$ 558,670</u>	<u>\$ 1,784,146</u>	<u>\$ 114,052</u>	<u>\$ 262,909</u>	<u>\$ 2,161,107</u>

The Notes to Financial Statements are an integral part of this statement.

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

1. Organization and Purpose of the Corporation

Greater Newark Conservancy, Inc. ("the Conservancy") is a New Jersey not-for-profit organization that promotes environmental stewardship to improve the quality of life in New Jersey's urban communities. Founded in 1987, the Conservancy has four program areas: environmental education, community greening and gardening, job training and advocacy for environmental justice.

The Conservancy's education program annually brings innovative, hands-on, science-based lessons and field trips to approximately 7,000 inner-city schoolchildren from Newark and its environs. Programming focuses on the urban environment and includes environmental education field trips to the Prudential Outdoor Learning Center in downtown Newark, in-class reverse field trips, living laboratory outdoor teaching gardens at Newark schools, and nutritional health lessons and activities. Since the Prudential Outdoor Learning Center opened ten years ago, it has hosted over 27,000 underserved children who have engaged in environmental field trips.

The Conservancy's community greening program annually serves over 2,000 Newark residents through its community gardens with resident-adopted planting plots; urban farm lots that generate fresh, local produce; and a farm stand operation that makes nutritious, healthy foods available to the inner-city population. Last growing season the program's 15 urban farms, including a 1 acre farm and a 2.5 acre farm in Newark generated over 56,000 pounds of fresh produce, bringing fresh, nutritious vegetables to 1,400 low-income residents.

The Conservancy's job training program includes two components – the Newark youth leadership project ("NYLP") and the clean and green transitional job training program. NYLP annually provides 60 to 70 Newark high school students with on-the-job-training in leadership development, public speaking, resume development, business skills, job readiness and green careers. The program encourages college enrollment, opening new vistas and career exploration. The clean and green program annually works with hundreds of recently incarcerated Newark residents and ex-gang affiliated members to assist them in making the transition from prison to gainful employment. Training focuses on a variety of horticultural and landscaping skills. Throughout the program, participants clean highway gateways and medians and hundreds of vacant, city-owned lots in Newark. A major emphasis has been on developing and helping to maintain the Conservancy's two larger urban farms.

The Conservancy's environmental justice program organizes and empowers inner-city residents to confront and overcome urban environmental issues. For many years, the program focused on various components of Newark's master planning process, seeking to interject sound environmental principles and to guide the city toward greater sustainability. More recently, the program has concentrated on seeking an environmentally sensitive cleanup of the intensively polluted lower Passaic river while minimizing the impacts on the Ironbound section of Newark.

2. Summary of Significant Accounting Policies

Basis of Presentation

Financial statement presentation follows the recommendations of the accounting standard related to financial statements of not-for-profit organizations. Under this accounting standard, the Conservancy 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. For the years ended June 30, 2015 and 2014, the Conservancy had accounting transactions in unrestricted and temporarily restricted net assets. The unrestricted net asset category represents net assets that are not subject to donor imposed restrictions and the temporarily restricted net asset category represents net assets that are subject to time or purpose donor imposed restrictions.

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

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.

Revenue Recognition

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

The Conservancy accounts for contract revenues, which have been determined to be exchange transactions, in the statements of activities and changes in net assets to the extent that expenses have been incurred for the purpose specified by the grantor during the period. Program revenues received in advance of their usage are classified as liabilities in the statements of financial position. In applying this concept, the legal and contractual requirements of each individual contract are used as guidance.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Fee for service income received for performing landscaping and other services is recorded when earned.

Contributions receivable and accounts receivable are stated at the amount management expects to collect from outstanding balances. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history and type of contribution. Management has determined that no allowance was required as of June 30, 2015 and 2014.

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 un-collectability of the account becomes apparent.

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.

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.

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

Functional Allocation of Expenses

The costs 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.

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.

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, 2015 and 2014. 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.

Two grantors/donors comprised 69 percent of total receivables as of June 30, 2015 and three grantors/donors comprised 89 percent of total receivables at June 30, 2014. One grantor/donor comprised 31 percent of total revenue for the year ended June 30, 2015 and two grantors/donors comprised 33 percent of total revenue for the year ended June 30, 2014.

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 financial position. The Conservancy had no unrecognized benefits at June 30, 2015 and 2014 and has incurred no interest or penalties related to income taxes for the periods presented in their financial statements.

Donated Materials and Supplies

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

Investments

Investments consist of certificates of deposit and mutual funds. Certificates of deposit are stated at cost plus accrued interest. Mutual funds are stated at fair value.

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2015 financial statements. These reclassifications had no effect on previously reported net assets.

3. Investments

The Conservancy's investments consisted of the following at June 30, 2015 and 2014:

	2015	2014
Certificates of deposit	\$ 130,943	\$ 130,765
Mutual fund	8,345	8,345
	<u>\$ 139,288</u>	<u>\$ 139,110</u>

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the assets or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value. The Conservancy's mutual fund investments are classified as Level 1 since they are based on quoted prices in active markets for identical assets.

4. Due From Governmental Agencies

Amounts due from governmental agencies at June 30, are as follows:

	2015	2014
City of Newark - CDBG	\$ 199,955	\$ 189,988
City of Newark - Clean and Green	64,728	566,023
City of Newark - Hotspot	76,174	--
City of Newark - Central Ward Initiative	115,543	50,000
Other	--	5,893
	<u>\$ 456,400</u>	<u>\$ 811,904</u>

5. Contributions Receivable

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

	2015	2014
Less than 1 year	\$ 826,820	\$ 194,981
1-5 years	100,000	200,000
Over 5 years	--	--
	<u>926,820</u>	<u>394,981</u>
Less: Discounts to net present value at 2 percent	<u>30,973</u>	<u>43,917</u>
	<u>\$ 895,847</u>	<u>\$ 351,064</u>

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

6. Property and Equipment, Net

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

	Estimated Useful Life (Years)	2015	2014
Land	N/A	\$ 74,325	\$ 74,325
Field equipment	5	19,633	14,313
Vehicles	5	114,586	142,955
Office equipment	5	194,596	173,149
Leasehold improvements	15	50,198	50,198
Outdoor Learning Center	40	3,247,483	3,247,483
Office building and improvements	40	894,155	858,518
Tent	5	<u>8,375</u>	<u>8,375</u>
		4,603,351	4,569,316
Less: Accumulated depreciation and amortization		<u>(956,387)</u>	<u>(820,661)</u>
Property and equipment, net		<u>\$ 3,646,964</u>	<u>\$ 3,748,655</u>

Depreciation expense amounted to \$156,855 and \$149,649 for the years ended June 30, 2015 and 2014, respectively.

7. Construction in Progress

Construction in progress consists of costs related to the Judith Shipley Urban Environmental Center ("Main Building"). The Conservancy is creating New Jersey's first urban environmental education resource center, which will serve low-income youth, grades pre-K through 12, from Newark and surrounding urban areas. The Main Building will contain classrooms, lecture/exhibit space, meeting rooms, a café and offices. The Conservancy incurred costs totaling \$5,753,798 and \$4,289,186 relating to the Main Building construction as of June 30, 2015 and 2014, respectively.

The Conservancy entered into a construction contract in connection with the Main Building construction with a contractor for a total contract price of approximately \$3,140,000. Total work completed as of June 30, 2015 amounted to approximately \$3,018,000 and is included in construction in progress.

8. 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, 2015 and 2014, was \$12,476 and \$9,904, respectively.

9. Net Assets

Board designated net assets

Board designated net assets are classified as unrestricted net assets in the statements 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 expenditures. Board designated net assets amounted to \$284,442 for each of the years ended June 30, 2015 and 2014.

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2015 and 2014

Temporarily restricted net assets

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

	2015	2014
Time and purpose restriction		
Capital projects (Urban Environmental Center of NJ)	\$ 1,333,774	\$ 1,516,228
Purpose restriction		
Environmental justice	618	2,387
Clean and green	181,901	37,175
Nutrition education/healthcare	66,195	46,546
Tree farming	84,625	84,625
Urban farming	20,160	73,130
401(k) matching	50,125	62,601
	<u>\$ 1,737,398</u>	<u>\$ 1,822,692</u>

The following is a schedule of the temporarily restricted net assets that were released from donor restrictions for the years ended June 30:

	2015	2014
Time and purpose restriction		
Capital projects (Urban Environmental Center of NJ)	\$ 1,344,612	\$ 1,866,255
Purpose restriction		
Training programs	--	49,000
Clean and green	37,175	105,000
Environmental justice	2,387	--
Nutrition education/healthcare	46,546	21,968
Tree farming	73,130	24,375
Urban farming	--	30,000
401(k) matching	12,476	9,904
	<u>\$ 1,516,326</u>	<u>\$ 2,106,502</u>

10. Note Payable

Note payable consists of the following at June 30:

	2015	2014
Note payable with the Prudential Foundation, interest at 2 percent due in annual installments, including interest, of \$100,000 through June 1, 2017.	\$ 193,923	\$ 288,108
Less: Current maturities	<u>96,086</u>	<u>94,185</u>
Note payable, net of current maturities	<u>\$ 97,837</u>	<u>\$ 193,923</u>

Greater Newark Conservancy, Inc.
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Aggregate maturities of note payable for the following years ended June 30, are as follows:

Year	Amount
2016	\$ 96,086
2017	<u>97,837</u>
	<u>\$ 193,923</u>

The note payable is guaranteed by a Trustee of the Conservancy.

11. Operating Lease

The Conservancy has a 60 month non-cancellable lease for certain equipment which expires in April 2020. Rental expense amounted to approximately \$9,000 for each of the years ended June 30, 2015 and 2014. Future minimum lease payments under the non-cancellable lease are as follows:

Year	Amount
2016	\$ 11,496
2017	11,496
2018	11,496
2019	11,496
2020	<u>9,580</u>
	<u>\$ 55,564</u>

12. Subsequent Events

The Conservancy has evaluated subsequent events occurring after the statement of financial position date through the date of November 17, 2015. Based upon this evaluation, the Conservancy has determined that no subsequent events have occurred, which require adjustment to or disclosure in the financial statements.