



GREATER NEWARK CONSERVANCY, INC.

Financial Statements

June 30, 2014 and 2013

With Independent Auditors' Report

Greater Newark Conservancy, Inc.
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June 30, 2014 and 2013

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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, 2014 and 2013, 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, 2014 and 2013, 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

December 2, 2014

Greater Newark Conservancy, Inc.
Statements of Financial Position
June 30, 2014 and 2013

	2014	2013
Assets		
Current assets		
Cash and cash equivalents	\$ 1,606,791	\$ 1,720,367
Certificates of deposit	139,110	1,650,898
Due from governmental agencies	811,904	179,218
Contributions receivable, net	194,981	217,214
Accounts receivable	28,178	56,096
Prepaid expenses	<u>60,731</u>	<u>46,662</u>
Total current assets	2,841,695	3,870,455
Property and equipment, net	3,748,655	3,783,390
Construction in progress	4,289,186	2,422,931
Other assets		
Contributions receivable, net	156,083	244,881
Trademark	<u>2,525</u>	<u>2,525</u>
Total other assets	<u>158,608</u>	<u>247,406</u>
	<u>\$ 11,038,144</u>	<u>\$ 10,324,182</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	723,822	209,882
Note payable - current portion	<u>94,185</u>	<u>92,321</u>
Total current liabilities	818,007	302,203
Long-term liabilities		
Note payable - net of current portion	<u>193,923</u>	<u>288,108</u>
Total liabilities	1,011,930	590,311
Net assets		
Unrestricted		
Board designated for 25th anniversary fund	284,442	281,490
Available for general operations	<u>7,919,080</u>	<u>6,157,592</u>
Total unrestricted net assets	8,203,522	6,439,082
Temporarily restricted	<u>1,822,692</u>	<u>3,294,789</u>
Total net assets	<u>10,026,214</u>	<u>9,733,871</u>
	<u>\$ 11,038,144</u>	<u>\$ 10,324,182</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, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Foundation grants	\$ 402,134	\$ 634,405	\$ 1,036,539	\$ 615,270	\$ 322,864	\$ 938,134
Corporate grants	57,215	--	57,215	96,495	--	96,495
Government grants	879,528	--	879,528	425,175	--	425,175
Trustee contributions	187,002	--	187,002	54,375	--	54,375
Individual contributions	42,006	--	42,006	41,219	--	41,219
25th anniversary fund contributions	2,952	--	2,952	132,740	--	132,740
Special events, net of direct expenses of \$27,659 and \$13,115 in 2014 and 2013, respectively	156,056	--	156,056	69,260	--	69,260
Fees	61,860	--	61,860	64,308	--	64,308
Investment income	3,680	--	3,680	13,577	--	13,577
In-kind contributions	8,400	--	8,400	--	--	--
Miscellaneous income	18,212	--	18,212	11,931	--	11,931
	<u>1,819,045</u>	<u>634,405</u>	<u>2,453,450</u>	<u>1,524,350</u>	<u>322,864</u>	<u>1,847,214</u>
Net assets released due to satisfaction of time or purpose restriction	<u>2,106,502</u>	<u>(2,106,502)</u>	<u>--</u>	<u>716,458</u>	<u>(716,458)</u>	<u>--</u>
	<u>3,925,547</u>	<u>(1,472,097)</u>	<u>2,453,450</u>	<u>2,240,808</u>	<u>(393,594)</u>	<u>1,847,214</u>
Expenses						
Program services	1,784,146	--	1,784,146	1,451,845	--	1,451,845
Management and general	114,052	--	114,052	212,696	--	212,696
Fundraising	262,909	--	262,909	246,082	--	246,082
	<u>2,161,107</u>	<u>--</u>	<u>2,161,107</u>	<u>1,910,623</u>	<u>--</u>	<u>1,910,623</u>
Changes in net assets	1,764,440	(1,472,097)	292,343	330,185	(393,594)	(63,409)
Net assets, beginning of year	<u>6,439,082</u>	<u>3,294,789</u>	<u>9,733,871</u>	<u>6,108,897</u>	<u>3,688,383</u>	<u>9,797,280</u>
Net assets, end 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>

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

Greater Newark Conservancy, Inc.
Statements of Cash Flows
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Changes in net assets	\$ 292,343	\$ (63,409)
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities		
Depreciation	149,649	153,271
Accretion of debt	7,679	9,505
Changes in assets and liabilities		
Due from governmental agencies	(632,686)	107,333
Contributions receivable	111,031	141,856
Accounts receivable	27,918	(32,444)
Prepaid expenses	(14,069)	11,266
Accounts payable and accrued expenses	<u>(23,598)</u>	<u>105,610</u>
Net cash (used) provided by operating activities	(81,733)	432,988
Cash flows from investing activities		
Proceeds from sales of certificates of deposit	1,515,468	2,547,332
Purchase of certificates of deposit and reinvested investment income	(3,680)	(1,720,000)
Purchases of property and equipment	(114,914)	(8,089)
Increase in construction in progress	<u>(1,328,717)</u>	<u>(278,656)</u>
Net cash provided by investing activities	68,157	540,587
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	(113,576)	873,575
Cash and cash equivalents		
Beginning of year	<u>1,720,367</u>	<u>846,792</u>
End of year	<u>\$ 1,606,791</u>	<u>\$ 1,720,367</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 8,437</u>	<u>\$ 9,975</u>
Donated materials and supplies	<u>\$ 8,400</u>	<u>\$ --</u>
Non-cash investing activities		
Increase in construction in progress and accounts payable and accrued expenses	<u>\$ 537,538</u>	<u>\$ --</u>

There were no amounts paid for incomes taxes during the years ended June 30, 2014 and 2013.

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 and vehicle expense	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.
Statements of Functional Expenses
Year Ended June 30, 2013

	Program Services						Management and General	Fundraising	Total
	Education	Environmental Justice	Community Greening and Urban Farming	NYLP/ Farm Stand	Clean & Green	Total Program Services			
Salaries	\$ 270,536	\$ 7,641	\$ 207,309	\$ 137,339	\$ 129,388	\$ 752,213	\$ 112,565	\$ 169,586	\$ 1,034,364
Fringe benefits	59,312	830	47,395	34,308	27,159	169,004	33,293	41,155	243,452
Occupancy	8,364	--	4,812	1,383	1,500	16,059	2,601	799	19,459
Telephone	3,461	--	2,850	1,733	4,613	12,657	3,136	913	16,706
Office expenses	9,614	32	12,322	4,286	6,335	32,589	15,143	4,345	52,077
Postage	1,498	--	2,005	721	907	5,131	2,349	824	8,304
Equipment	3,547	--	3,503	1,929	3,510	12,489	2,486	877	15,852
Repairs and maintenance	5,310	--	2,617	518	15,203	23,648	811	672	25,131
Dues and subscriptions	--	--	--	--	--	--	959	--	959
Insurance	20,595	--	15,801	7,681	11,510	55,587	8,098	2,608	66,293
Printing	4,527	411	4,471	1,400	2,751	13,560	3,196	799	17,555
Travel	2,722	63	7,972	1,068	14,262	26,087	890	102	27,079
Professional services	13,399	46	11,555	6,135	6,832	37,967	11,730	8,375	58,072
Program expenses	23,465	126	85,942	27,492	21,786	158,811	--	--	158,811
Conferences and seminars	878	--	368	125	--	1,371	1,005	--	2,376
Landscaping supplies and expenses	--	--	887	--	--	887	--	--	887
Depreciation	101,342	--	14,496	8,283	9,664	133,785	13,964	5,522	153,271
Interest expense	--	--	--	--	--	--	470	9,505	9,975
	<u>\$ 528,570</u>	<u>\$ 9,149</u>	<u>\$ 424,305</u>	<u>\$ 234,401</u>	<u>\$ 255,420</u>	<u>\$ 1,451,845</u>	<u>\$ 212,696</u>	<u>\$ 246,082</u>	<u>\$ 1,910,623</u>

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

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2014 and 2013

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.

Greater Newark Conservancy's *Education Program* uses innovative, hands-on, science-based lessons and field trips to teach inner-city school children from Newark and environs about the urban environment. Annually, staff provides approximately 2,500 students with environmental educational field trips at the Prudential Outdoor Learning Center in downtown Newark. An additional 300 school children in grades K-12 are reached each month in their classrooms and in outdoor teaching gardens with environmental/horticultural lessons and innovative activities. Health and Nutrition programming reaches another 3,000 children each year.

The Conservancy's *Community Greening Program* works with hundreds of Newark families, businesses, organizations and schools to improve neighborhoods with street plantings, pocket parks, community gardens and urban farms where residents can raise their own fresh, healthy food. The city gardens contest recognizes the efforts of dedicated citizen gardeners who strive to improve their properties and blocks. Other initiatives are teaching horticulture and nutrition to the city's poorest children and families at public housing projects, encouraging them to create their own gardens to provide accessible, inexpensive sources of nutritious food and a farm stand, bringing fresh produce to the inner city population.

The Conservancy's *Job Training Program* consists of two main components: the Newark Youth Leadership Project ("NYLP") and the Newark Clean and Green Program. NYLP annually provides 60 to 70 Newark high school students with job training experience, leadership development, exposure to different career options, and opportunities for pursuing a college education. NYLP is conducted year-round, with school year and summer components. The Newark Clean and Green Program annually works with hundreds of recently incarcerated Newark residents and ex-gang affiliated members to help them make the transition from prison to gainful employment. Training focuses on a variety of horticultural and landscaping skills. Throughout the program, participants clean and green vacant, city-owned lots in Newark to establish pocket parks, community gardens and urban farms.

The Conservancy's *Environmental Justice Program* builds partnerships with Newark's residents to promote urban environmental issues and strives to empower them to recognize their ability to improve the city's environment. For a number of years the Conservancy has actively advocated for quality of life issues in the city's new Master Plan. More recently, the Conservancy convinced the city to make its Adopt-A-Lot ordinance more user friendly so that residents are encouraged to adopt vacant city-owned property for conversion into neighborhood gardens and urban farms.

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, 2014 and 2013, the Conservancy had accounting transactions in two net asset categories. 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, 2014 and 2013

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 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 as net assets released from restrictions.

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

Accounts Receivable

The Conservancy records service fee revenue and accounts receivable as services are provided to customers. Delinquent accounts are those accounts which are outstanding for a period of over 45 days. Collection attempts continue to be made beyond that point until such time as the un-collectability of the account becomes apparent. Accounts are at least partially reserved if no collection has been made after 90 days if collection is not reasonably assured.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including due from governmental agencies, accounts receivable, contributions receivable, prepaid expenses, accounts payable and accrued expenses and short-term debt approximate their fair values because of the relatively short maturity of these instruments.

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, 2014 and 2013

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 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, 2014 and 2013. 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.

Three donors comprised 89 percent (individually 48 percent, 25 percent and 16 percent) of total receivables as of June 30, 2014 and three donors comprised 78 percent (individually 57 percent, 11 percent and 10 percent) of total receivables at June 30, 2013. Two grantors comprised 33 percent (individually 23 percent and 10 percent) of total revenue for the year ended June 30, 2014. There were no revenue concentrations for the year ended June 30, 2013.

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, 2014 and 2013 and has incurred no interest or penalties related to income taxes for the periods presented in their financial statements. Additionally, the Conservancy has no open years subject to examination prior to June 30, 2011.

Donated Materials and Supplies

Donated materials and supplies are recorded as unrestricted revenue at their estimated fair market value when received.

Reclassifications

Certain amounts in the 2013 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2014 financial statements. These reclassifications had no effect on previously reported net assets.

3. Certificates of Deposit

The Conservancy maintains certificates of deposit, with original maturities exceeding 3 months, which totaled \$139,110 and \$1,650,898 as of June 30, 2014 and 2013, respectively.

Fair Value Accounting

Recurring Fair Value Measurements:

The accounting standard related to fair value defines fair value, establishes a framework for measuring fair value, and 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 asset 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, as specified by the accounting standard, are used to measure fair value.

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2014 and 2013

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Conservancy has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances that may include the Conservancy's own data.)

The following table summarizes assets which have been accounted for at fair value on a recurring basis as of June 30, 2014 and 2013, along with the basis of determination of fair value:

	<u>Total</u>	<u>Observable Measurement Criteria (Level 2)</u>
June 30, 2014		
Certificates of Deposit	\$ 139,110	\$ 139,110
June 30, 2013		
Certificates of Deposit	\$ 1,650,898	\$ 1,650,898

4. Due From Governmental Agencies

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

	2014	2013
City of Newark - CDBG	\$ 189,988	\$ 78,557
City of Newark - Clean and Green	566,023	--
City of Newark - pass through Brick City Development Corporation	--	27,643
City of Newark - pass through La Casa de Don Pedro	--	71,850
City of Newark - Central Ward Initiative	50,000	--
Other	5,893	1,168
	<u>\$ 811,904</u>	<u>\$ 179,218</u>

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2014 and 2013

5. Property and Equipment, Net

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

	Estimated Useful Life (Years)	2014	2013
Land	N/A	\$ 74,325	\$ 74,325
Field equipment	5	14,313	10,225
Vehicles	5	142,955	92,385
Office equipment	5	173,149	133,769
Leasehold improvements	15	50,198	50,198
Outdoor Learning Center	40	3,247,483	3,195,477
Office building and improvements	40	858,518	853,018
Tent	5	8,375	8,375
		<u>4,569,316</u>	<u>4,417,772</u>
Less: Accumulated depreciation and amortization		<u>(820,661)</u>	<u>(634,382)</u>
Property and equipment, net		<u>\$ 3,748,655</u>	<u>\$ 3,783,390</u>

Depreciation expense amounted to \$149,649 and \$153,271 for the years ended June 30, 2014 and 2013, respectively.

6. 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 \$4,289,186 and \$2,422,931 relating to the Main Building construction as of June 30, 2014 and 2013, respectively.

7. Contributions Receivable

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

	2014	2013
Less than 1 year	\$ 194,981	\$ 217,214
1-5 years	200,000	300,000
Over 5 years	--	--
	<u>394,981</u>	<u>517,214</u>
Less: Discounts to net present value at 2 percent	<u>43,917</u>	<u>55,119</u>
	<u>\$ 351,064</u>	<u>\$ 462,095</u>

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, 2014 and 2013, was \$9,904 and \$9,351, respectively.

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2014 and 2013

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 has 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 and \$281,490 for the years ended June 30, 2014 and 2013, respectively.

Temporarily restricted net assets

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

	2014	2013
Time and purpose restriction		
Capital projects (Urban Environmental Center of NJ)	\$ 1,516,228	\$ 2,948,316
Purpose restriction		
Training programs	--	49,000
Environmental justice	2,387	--
Clean and green	37,175	--
Education	--	105,000
Nutrition education/healthcare	46,546	21,968
Tree farming	84,625	83,000
Urban farming	73,130	30,000
401(k) matching	62,601	57,505
	<u>\$ 1,822,692</u>	<u>\$ 3,294,789</u>

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

	2014	2013
Time and purpose restriction		
Capital projects (Urban Environmental Center of NJ)	\$ 1,866,255	\$ 401,895
Purpose restriction		
Training programs	49,000	50,000
Education	105,000	139,060
Nutrition education/healthcare	21,968	--
Tree farming	24,375	91,096
Urban farming	30,000	25,000
401(k) matching	9,904	9,407
	<u>\$ 2,106,502</u>	<u>\$ 716,458</u>

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2014 and 2013

10. Note Payable

Note payable consists of the following at June 30:

	2014	2013
Note payable with the Prudential Foundation, interest at 2 percent due in annual installments, including interest, of \$100,000 through June 1, 2017.	\$ 288,108	\$ 380,429
Less: Current maturities	<u>94,185</u>	<u>92,321</u>
Note payable, net of current maturities	<u>\$ 193,923</u>	<u>\$ 288,108</u>

Aggregate maturities of note payable for the following years ended June 30, are as follows:

Year	Amount
2015	\$ 94,185
2016	96,086
2017	<u>97,837</u>
	<u>\$ 288,108</u>

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

11. Commitments

The Conservancy entered into a construction contract with a contractor for a total contract price of \$2,983,433. Total work completed as of June 30, 2014 amounts to approximately \$1,727,857 and is included in construction in progress.

12. Prior Period Adjustment

Salary and fringe benefit amounts amounting to \$122,980 previously reported as management and general expenses in the 2013 statement of functional expense have been reclassified to fundraising. This restatement had no effect on the 2013 changes in net assets as previously reported.

13. Subsequent Events

The Conservancy has evaluated subsequent events occurring after the statement of financial position date through the date of December 2, 2014. Based upon this evaluation, the Conservancy has determined that no subsequent events have occurred, which require adjustment to or disclosure in the financial statements.