



WithumSmith+Brown
A Professional Corporation
Certified Public Accountants and Consultants

GREATER NEWARK CONSERVANCY, INC.

Financial Statements

June 30, 2013 and 2012

With Independent Auditors' Report

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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, 2013 and 2012, 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, 2013 and 2012, 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 19, 2013

Greater Newark Conservancy, Inc.
Statements of Financial Position
June 30, 2013 and 2012

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 1,720,367	\$ 846,792
Certificates of deposit	1,650,898	2,478,230
Due from governmental agencies	179,218	286,551
Contributions receivable, net	217,214	268,500
Accounts receivable	56,096	23,652
Prepaid expenses	46,662	57,928
Total current assets	<u>3,870,455</u>	<u>3,961,653</u>
Property and equipment, net	3,783,390	3,928,572
Construction in progress	2,422,931	2,144,275
Other assets		
Contributions receivable, net	244,881	335,451
Trademark	2,525	2,525
Total other assets	<u>247,406</u>	<u>337,976</u>
	<u>\$ 10,324,182</u>	<u>\$ 10,372,476</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 209,882	\$ 104,272
Note payable - current portion	92,321	90,495
Total current liabilities	<u>302,203</u>	<u>194,767</u>
Long-term liabilities		
Note payable - net of current portion	288,108	380,429
Total liabilities	<u>590,311</u>	<u>575,196</u>
Net assets		
Unrestricted		
Board designated for 25th anniversary	281,490	148,750
Available for general operations	6,157,592	5,960,147
Total unrestricted net assets	<u>6,439,082</u>	<u>6,108,897</u>
Temporarily restricted	3,294,789	3,688,383
Total net assets	<u>9,733,871</u>	<u>9,797,280</u>
	<u>\$ 10,324,182</u>	<u>\$ 10,372,476</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, 2013 and 2012

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and revenue						
Foundation grants	\$ 615,270	\$ 322,864	\$ 938,134	\$ 528,968	\$ 357,156	\$ 886,124
Corporate grants	96,495	--	96,495	39,572	--	39,572
Government grants	425,175	--	425,175	369,651	--	369,651
Trustee contributions	54,375	--	54,375	67,396	500	67,896
Individual contributions	41,219	--	41,219	36,260	911	37,171
25th anniversary fund contributions	132,740	--	132,740	148,750	--	148,750
Special events, net of direct expenses of \$13,115 and \$35,355 in 2013 and 2012, respectively	69,260	--	69,260	149,889	--	149,889
Fees	63,572	--	63,572	45,591	--	45,591
Investment income	13,577	--	13,577	17,671	--	17,671
Miscellaneous income	12,667	--	12,667	2,296	--	2,296
	<u>1,524,350</u>	<u>322,864</u>	<u>1,847,214</u>	<u>1,406,044</u>	<u>358,567</u>	<u>1,764,611</u>
Net assets released due to satisfaction of time or purpose restriction	<u>716,458</u>	<u>(716,458)</u>	<u>--</u>	<u>629,187</u>	<u>(629,187)</u>	<u>--</u>
	<u>2,240,808</u>	<u>(393,594)</u>	<u>1,847,214</u>	<u>2,035,231</u>	<u>(270,620)</u>	<u>1,764,611</u>
Expenses						
Program services	1,451,845	--	1,451,845	1,331,242	--	1,331,242
Management and general	335,676	--	335,676	326,366	--	326,366
Fundraising	123,102	--	123,102	112,224	--	112,224
	<u>1,910,623</u>	<u>--</u>	<u>1,910,623</u>	<u>1,769,832</u>	<u>--</u>	<u>1,769,832</u>
Changes in net assets	330,185	(393,594)	(63,409)	265,399	(270,620)	(5,221)
Net assets, beginning of year	<u>6,108,897</u>	<u>3,688,383</u>	<u>9,797,280</u>	<u>5,843,498</u>	<u>3,959,003</u>	<u>9,802,501</u>
Net assets, end 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>

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

Greater Newark Conservancy, Inc.
Statements of Cash Flows
Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities		
Changes in net assets	\$ (63,409)	\$ (5,221)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	153,271	150,747
Accretion of debt	9,505	10,394
Bad debt expense	--	8,479
Changes in assets and liabilities		
Due from governmental agencies	107,333	(236,551)
Contributions receivable	141,856	299,683
Accounts receivable	(32,444)	28,742
Prepaid expenses	11,266	(8,321)
Accounts payable and accrued expenses	105,610	29,039
Net cash provided by operating activities	<u>432,988</u>	<u>276,991</u>
Cash flows from investing activities		
Proceeds from sales of certificates of deposit	2,547,332	2,416,906
Purchase of certificates of deposit and reinvested investment income	(1,720,000)	(2,254,448)
Purchases of property and equipment	(8,089)	(29,498)
Increase in construction in progress	(278,656)	(444,384)
Net cash provided (used) by investing activities	<u>540,587</u>	<u>(311,424)</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	873,575	(134,433)
Cash and cash equivalents		
Beginning of year	<u>846,792</u>	<u>981,225</u>
End of year	<u>\$ 1,720,367</u>	<u>\$ 846,792</u>
Supplemental disclosure of cash flow information		
Interest paid	<u>\$ 9,975</u>	<u>\$ 10,791</u>
There were no amounts paid for incomes taxes during the years ended June 30, 2013 and 2012.		

Greater Newark Conservancy, Inc.
Statements of Functional Expenses
Year Ended June 30, 2013

	Program Services					Total Program Services	Management and General	Fundraising	Total
	Education	Environmental Justice	Community Greening and Urban Farming	NYLP/ Farm Stand	Clean & Green				
Salaries	\$ 270,536	\$ 7,641	\$ 207,309	\$ 137,339	\$ 129,388	\$ 752,213	\$ 210,378	\$ 71,773	\$ 1,034,364
Fringe benefits	59,312	830	47,395	34,308	27,159	169,004	58,460	15,988	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	8,887	32	11,735	3,895	6,000	30,549	14,612	4,121	49,282
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
Bank charges	727	--	587	391	335	2,040	531	224	2,795
Bad debt expense	--	--	--	--	--	--	--	--	--
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>\$ 335,676</u>	<u>\$ 123,102</u>	<u>\$ 1,910,623</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, 2012

	Program Services						Management and General	Fundraising	Total
	Education	Environmental Justice	Community Greening and Urban Farming	NYLP/ Farm Stand	Clean & Green	Total Program Services			
Salaries	\$ 255,345	\$ 4,868	\$ 139,176	\$ 148,698	\$ 130,537	\$ 678,624	\$ 218,097	\$ 65,709	\$ 962,430
Fringe benefits	56,137	1,117	36,739	31,026	29,290	154,309	44,819	16,207	215,335
Occupancy	10,957	279	4,139	1,876	1,731	18,982	3,838	1,806	24,626
Telephone	2,942	47	1,878	2,062	3,137	10,066	2,523	978	13,567
Office expenses	7,126	239	4,309	4,548	4,171	20,393	5,213	3,716	29,322
Postage	2,387	28	741	829	675	4,660	1,545	464	6,669
Equipment	4,656	102	2,799	2,961	2,547	13,065	2,633	1,216	16,914
Repairs and maintenance	7,259	41	826	611	12,106	20,843	937	285	22,065
Dues and subscriptions	100	--	--	15	--	115	710	--	825
Insurance	22,837	306	8,371	6,207	16,166	53,887	6,225	2,143	62,255
Printing	3,804	253	4,766	2,213	1,566	12,602	1,017	200	13,819
Travel	2,706	644	5,320	710	13,972	23,352	952	18	24,322
Professional services	12,647	224	6,396	7,255	5,762	32,284	9,556	4,405	46,245
Fundraising consultant	--	--	--	--	--	--	8,000	--	8,000
Program expenses	24,342	385	77,163	14,325	31,109	147,324	--	--	147,324
Conferences and seminars	1,205	--	--	443	--	1,648	1,025	--	2,673
Landscaping supplies and expenses	--	--	770	--	--	770	--	--	770
Depreciation	100,559	682	11,120	7,365	12,503	132,229	13,836	4,682	150,747
Bank charges	757	28	393	440	392	2,010	644	--	2,654
Bad debt expense	--	--	4,079	--	--	4,079	4,400	--	8,479
Interest expense	--	--	--	--	--	--	396	10,395	10,791
	<u>\$ 515,766</u>	<u>\$ 9,243</u>	<u>\$ 308,985</u>	<u>\$ 231,584</u>	<u>\$ 265,664</u>	<u>\$ 1,331,242</u>	<u>\$ 326,366</u>	<u>\$ 112,224</u>	<u>\$ 1,769,832</u>

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

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2013 and 2012

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 3,000 students with environmental educational field trips at the Prudential Outdoor Learning Center in downtown Newark. An additional 400 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 400 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. An annual 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 100 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, 2013 and 2012, 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, 2013 and 2012

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 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, 2013 and 2012

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, 2013 and 2012. 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 78 percent (individually 57 percent, 11 percent and 10 percent) of total receivables at June 30, 2013 and one donor comprised of 48 percent of accounts receivable as of June 30, 2012. There were no revenue concentrations for the year ended June 30, 2013. One donor and one grantor comprised 17 percent of total revenue for the year ended June 30, 2012.

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, 2013 and 2012 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, 2010.

Reclassifications

Certain amounts in the 2012 financial statements have been reclassified for comparative purposes to conform with the presentation in the 2013 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 \$1,650,898 and \$2,478,230 as of June 30, 2013 and 2012, 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.

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.

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2013 and 2012

- 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, 2013 and 2012, along with the basis of determination of fair value:

	<u>Total</u>	<u>Observable Measurement Criteria (Level 2)</u>
June 30, 2013		
Certificates of Deposit	<u>\$ 1,650,898</u>	<u>\$ 1,650,898</u>
June 30, 2012		
Certificates of Deposit	<u>\$ 2,478,230</u>	<u>\$ 2,478,230</u>

4. Due From Governmental Agencies

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

	2013	2012
City of Newark - CDBG	\$ 78,557	\$ 65,890
City of Newark - Clean and Green	--	179,491
City of Newark - pass through Brick City Development Corporation	27,643	--
City of Newark - pass through La Casa de Don Pedro	71,850	--
Other	1,168	41,170
	<u>\$ 179,218</u>	<u>\$ 286,551</u>

5. Property and Equipment, Net

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

	Estimated Useful Life (Years)	2013	2012
Land	N/A	\$ 74,325	\$ 74,325
Field equipment	5	10,225	41,629
Vehicles	5	92,385	131,637
Office equipment	5	133,769	237,670
Leasehold improvements	15	50,198	50,198
Outdoor Learning Center	40	3,195,477	3,195,497
Office building and improvements	40	853,018	852,998
Tent	5	8,375	8,375
		<u>4,417,772</u>	<u>4,592,329</u>
Less: Accumulated depreciation and amortization		<u>(634,382)</u>	<u>(663,757)</u>
Property and equipment, net		<u>\$ 3,783,390</u>	<u>\$ 3,928,572</u>

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2013 and 2012

Depreciation expense amounted to \$153,271 and \$150,747 for the years ended June 30, 2013 and 2012, 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 \$2,422,931 and \$2,144,275 relating to the Main Building construction as of June 30, 2013 and 2012, respectively.

7. Contributions Receivable

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

	2013	2012
Less than 1 year	\$ 217,214	\$ 268,500
1-5 years	300,000	400,000
Over 5 years	--	--
	<u>517,214</u>	<u>668,500</u>
Less: Discounts to net present value at 2 percent	<u>55,119</u>	<u>64,549</u>
	<u><u>\$ 462,095</u></u>	<u><u>\$ 603,951</u></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, 2013 and 2012, was \$9,351 and \$5,951, 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 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.

Greater Newark Conservancy, Inc.
Notes to Financial Statements
June 30, 2013 and 2012

Temporarily restricted net assets

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

	2013	2012
Time and purpose restriction		
Capital projects (Urban Environmental Center of NJ)	\$ 2,948,316	\$ 3,331,315
Purpose restriction		
Training programs	49,000	50,000
Education	126,968	139,060
Tree farming	83,000	91,096
Urban farming	30,000	25,000
401(k) matching	57,505	51,912
	<u>\$ 3,294,789</u>	<u>\$ 3,688,383</u>

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

	2013	2012
Time and purpose restriction		
Capital projects (Urban Environmental Center of NJ)	\$ 401,895	\$ 444,386
Purpose restriction		
Training programs	50,000	41,500
Education	139,060	137,350
Tree farming	91,096	--
Urban farming	25,000	--
401(k) matching	9,407	5,951
	<u>\$ 716,458</u>	<u>\$ 629,187</u>

10. Note Payable

Note payable consists of the following at June 30:

	2013	2012
Note payable with the Prudential Foundation, interest at 2 percent due in annual installments, including interest, of \$100,000 through June 1, 2017.	\$ 380,429	\$ 470,924
Less: Current maturities	<u>92,321</u>	<u>90,495</u>
Note payable, net of current maturities	<u>\$ 288,108</u>	<u>\$ 380,429</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
2014	\$ 92,321
2015	94,185
2016	96,086
2017	97,837
	<u>\$ 380,429</u>

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

11. Commitments

The Conservancy entered into a consulting contract whereby the consultant is to provide services in relation to the management of the construction in progress. The contract began on May 1, 2013 and is expected to be completed on April 31, 2014. Estimated future payments on this contract are \$62,000 in 2014.

The conservancy entered into a construction contract with a contractor for a total contract price of \$2,983,430. Total work completed as of June 30, 2013 amounts to approximately \$83,000 and is included in accounts payable and accrued expenses.

12. Subsequent Events

The Conservancy has evaluated subsequent events occurring after the statement of financial position date through the date of November 19, 2013. Based upon this evaluation, the Conservancy has determined that no subsequent events have occurred, which require adjustment to or disclosure in the financial statements.