

**GREAT SWAMP WATERSHED ASSOCIATION**

**A NON-PROFIT ORGANIZATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

**(With Independent Auditor's Report)**

**DRAFT**

**GREAT SWAMP WATERSHED ASSOCIATION**  
**Financial Statements**  
**June 30, 2023**

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Accountants and Consultants

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Great Swamp Watershed Association  
Morristown, New Jersey

**DRAFT**

**Opinion**

We have audited the accompanying financial statements of Great Swamp Watershed Association (a non-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Great Swamp Watershed Association as of June 30, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Great Swamp Watershed Association, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**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 Great Swamp Watershed Association'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 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, 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 Great Swamp Watershed Association'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 Great Swamp Watershed Association'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.

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Parsippany, New Jersey  
January 15, 2024

**Great Swamp Watershed Association  
Statement of Financial Position  
June 30, 2023**

**ASSETS**

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**Current Assets**

Cash and cash equivalents	\$ 428,458
Contribution receivable	1,000
Prepaid expenses and other current assets	<u>24,081</u>

Total current assets 453,539

Property and equipment, net 440,370

**Other Assets**

Investments	1,805,741
Right-of-use assets - operating lease	<u>262,620</u>

Total other assets 2,068,361

**Total assets** \$ 2,962,270

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued expenses	\$ 51,922
Lease liability-current	34,500
Deferred contributions	<u>38,067</u>

**Total current liabilities** 124,489

**Long term Liabilities**

Lease liability - long term	<u>228,120</u>
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**Total long-term liabilities** 228,120

**Net Assets**

Without donor restrictions	2,527,731
With donor restrictions	<u>81,930</u>

**Total net assets** 2,609,661

**Total liabilities and net assets** \$ 2,962,270

**Great Swamp Watershed Association**  
**Statement of Activities and Changes in Net Assets**  
**Year Ended June 30, 2023**

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	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Operating activities</b>			
<b>Revenues and support</b>			
Cash contributions	\$ 497,605	\$ 178,044	\$ 675,649
Special events	73,165	-	73,165
Government grants	4,653	-	4,653
Memberships	86,822	-	86,822
Annual Events	148,073	-	148,073
Program Revenue	88,192	-	88,192
Miscellaneous Income	292	-	292
In-kind Donations	550,000	-	550,000
Net assets released from restrictions	<u>194,645</u>	<u>(194,645)</u>	<u>-</u>
<b>Total revenues and support</b>	<u>1,643,447</u>	<u>(16,601)</u>	<u>1,626,846</u>
<b>Expenses</b>			
Program services			
Water sanitation and other expenses	<u>921,700</u>	<u>-</u>	<u>921,700</u>
Total program services	<u>921,700</u>	<u>-</u>	<u>921,700</u>
Supporting services			
Fundraising	76,905	-	76,905
General and administrative	<u>123,991</u>	<u>-</u>	<u>123,991</u>
Total supporting services	<u>200,896</u>	<u>-</u>	<u>200,896</u>
Total expenses	<u>1,122,596</u>	<u>-</u>	<u>1,122,596</u>
<b>Change in net assets from operating activities</b>	520,851	(16,601)	504,250
<b>Non-Operating activities</b>			
Interest income	795	-	795
Dividend income	43,217	-	43,217
Unrealized gain on investments	137,870	-	137,870
Write off of land easement	<u>(550,000)</u>	<u>-</u>	<u>(550,000)</u>
Total other income (loss)	<u>(368,118)</u>	<u>-</u>	<u>(368,118)</u>
Change in net assets	152,733	(16,601)	136,132
<b>Net assets - beginning of year</b>	<u>2,374,998</u>	<u>98,531</u>	<u>2,473,529</u>
<b>Net assets - end of year</b>	<u><b>\$ 2,527,731</b></u>	<u><b>\$ 81,930</b></u>	<u><b>\$ 2,609,661</b></u>

Great Swamp Watershed Association  
Statement of Functional Expenses  
Year Ended June 30, 2023

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	Program Expenses	Fundraising	General and Administrative	Total
Salaries, wages and benefits	\$ 590,815	\$ 63,391	\$ 78,888	\$ 733,094
Professional fees	-	6,430	-	6,430
Postage and printing	34,234	18	1,372	35,624
Office supplies	12,611	1,353	1,659	15,623
Operating lease expense	30,345	2,045	1,705	34,095
Repairs and maintainence	14,906	1,081	1,407	17,394
Programs, meetings and membership	197,615	1,133	37,869	236,617
Annual events	17,047	-	-	17,047
Insurance expense	<u>15,635</u>	<u>1,454</u>	<u>1,091</u>	<u>18,180</u>
Total expenses before depreciation	913,208	76,905	123,991	1,114,104
Depreciation expense	<u>8,492</u>	-	-	<u>8,492</u>
<b>Total expenses</b>	<b><u>\$ 921,700</u></b>	<b><u>\$ 76,905</u></b>	<b><u>\$ 123,991</u></b>	<b><u>\$ 1,122,596</u></b>

**Great Swamp Watershed Association  
Statement of Cash Flows  
Year Ended June 30, 2023**

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<b>Cash flows from operating activities</b>	
Increase in net assets	\$ 136,132
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	8,492
Unrealized gain on investments	(137,870)
Change in assets and liabilities	
Contribution receivable	(1,000)
Prepaid expenses and other current assets	(11,708)
Accounts payable and accrued expenses	10,348
Deferred revenue	<u>15,067</u>
<b>Net cash provided by operating activities</b>	<u>19,461</u>
<b>Cash flows from investing activities</b>	
Purchases of securities	(149,935)
Proceeds from sale of securities	<u>6,718</u>
<b>Net cash used in investing activities</b>	<u>(143,217)</u>
<b>Net (decrease) in cash and cash equivalents</b>	(123,756)
Cash and cash equivalents, beginning of year	<u>552,214</u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$ 428,458</b></u>
<b>Supplemental disclosure of cash flow information</b>	
Cash used in operating activities - operating lease	<u><b>\$ 34,095</b></u>



**GREAT SWAMP WATERSHED ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 1 - ORGANIZATION AND PURPOSE**

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Great Swamp Watershed Association (the “Organization” or “GSWA”) is a New Jersey non-profit organization founded in 1981 with the mission to protect and improve the water resources of the Passaic River region, from the Great Swamp headwaters to Newark Bay. Based in Harding Township and Chatham Township, New Jersey, the Organization monitors and protects water quality, and investigates and participates in land use issues in the Great Swamp Watershed and Passaic River region.

Since its incorporation, the Organization has gradually acquired around 86 acres of land, of which 73 acres are in Harding Township and 13 acres in Chatham Township. These lands contain wetlands, forested areas and a network of trails that are open to the public to enjoy natural recreations.

Through education, advocacy, science, land preservation and stewardship, in collaboration with partners, the Organization works to instill its communities with an awareness of water’s effect on health and the beauty of the environment, from source to sea. The Organization evaluates the conservation values of its properties and creates a property stewardship and management plan to enhance those values. Some of the properties the Organization owns have undergone significant restoration to improve conservation values including wetlands and stream restoration efforts.

Volunteers are a growing resource for the Organization's land stewardship and management efforts. Volunteers have assisted with restoration planting and trail building. The Organization monitors its properties and the conservation easements it holds on privately owned land annually.

In August 2017, the Organization was designated as an accredited national land trust by the Land Trust Accreditation Commission of the Land Trust Alliance. The Board adopted a resolution to apply for reaccreditation renewal in April 2022. The Commission approved the reaccreditation in December 2023.

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

**BASIS OF ACCOUNTING**

The financial statements of the Organization have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

**BASIS OF PRESENTATION**

The Organization has adopted Accounting Standards Update (“ASU”) NO. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 became effective for annual reporting periods beginning after December 15, 2017. These financial statements have been prepared to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and presented as follows:

- Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of trustees.
- Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions, either for a specific purpose, subject to the passage of time or when the original dollar value is to remain in perpetuity as a permanent endowment of the Organization. Some donor restrictions are temporary in nature, which will be met by actions of the Board or passage of time.

**GREAT SWAMP WATERSHED ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**DRAFT**

**ACCOUNTING PRONOUNCEMENTS ADOPTED**

The FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* which is a comprehensive new revenue recognition standard that supersedes existing revenue recognition guidance. This ASU became effective for annual reporting periods beginning after December 15, 2019. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity should recognize revenue when (or as) the entity satisfies a performance obligation. Further, judgment is required to bifurcate transactions between contribution and exchange components. The Organization has adopted this ASU as of and for the year ended June 30, 2023. Management has determined that this ASU does not have a significant impact on the financial statements.

The FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Made* to address difficulty and diversity in practice among not-for profit entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Topic 958 or as exchanges (reciprocal transactions) subject to Topic 606 and (2) determining between conditional and unconditional contributions. This ASU applies to all entities that receive or make contributions. Analysis of various provisions of the adopted ASU resulted in no significant changes in the way the Organization recognizes revenue.

**MEASURE OF OPERATIONS**

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**INCOME TAXES**

Great Swamp Watershed Association is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal and New Jersey income taxes. It is further classified as an Organization that is not a private organization under Section 509(a)(3) of the Code.

The Organization files Form 990, annually with the Internal Revenue Service, as well as equivalent State filings. The Organization's returns prior to 2019 are no longer subject to examination by Federal or State Authorities due to the statute of limitations.

**CONTRIBUTIONS, SUPPORT AND REVENUE**

Contributions of cash, including unconditional promises to give, are available for unrestricted use, unless specifically restricted by the donor and are recognized as support in the period the unconditional promise is given. unconditional promises to give are recorded as received.

Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of donated nonfinancial assets, which includes property and services, are recorded at their fair values in the period received as restricted or unrestricted revenue, depending upon the donor's stipulations. For the year ended June 30, 2023, contributed nonfinancial assets totaled \$0.

**GREAT SWAMP WATERSHED ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**DRAFT**

**CONTRIBUTIONS RECEIVABLE**

Contributions receivable are pledges by donors that are expected to be collected within one year and are recorded at net realizable value.

**DEFERRED CONTRIBUTIONS**

Contributions related to receipts collected prior to the occurrence of special events is deferred and recognized in the period in which the special event is held. Deferred contributions as of June 30, 2023, were \$38,067.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of deposits held in checking, savings, and money market accounts. The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**INVESTMENTS**

The Organization has investments in securities with readily determinable market values and reports these investments at fair value. Market values for stocks are determined by quoted prices. The market value for mutual funds is determined by the fund manager. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of assets over five to seven years. Additions and improvements of \$5,000 or more are capitalized, while general repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts and any gains or losses are included in the change in net assets. Certain property acquired by the Organization for conservation purposes may be deed restricted, which substantially reduces its use and its fair market value. Property is written down to zero value when the conservation easement is placed on the property. Conservation easements have no economic value and minimal cost to maintain.

**FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing various programs and support services have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function and are allocated based on time and effort.

**LEASES**

The Organization adopted ASC 842, Leases, effective January 1, 2022. The Organization determines if an arrangement is a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Operating leases are amortized on a straight-line basis over the lease term. Leases of 12 months or less are to be accounted for similar to existing guidance for operating leases.

**GREAT SWAMP WATERSHED ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**DRAFT**

**FINANCIAL INSTRUMENTS**

The Organization considers the carrying amounts of financial instruments, including cash, contributions receivable and accounts payable to approximate their fair values because of their relatively short maturities.

**USE OF 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.

**CONCENTRATION OF CREDIT RISK**

Financial instruments which potentially subject GSWA to concentrations of credit risk consist principally of cash deposits held in financial institutions. GSWA maintains its cash in bank deposit accounts, which, at times may exceed \$250,000 federally insured limits as guaranteed by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2023, uninsured balances in bank accounts were \$0.

**NOTE 3 - CONTRIBUTIONS**

All contributions come from private foundations, trusts, business entities and individual donors. Additional income is received from the Organization’s fundraising events. There were no major donors greater than 10% of the total contributions for the year ended June 30, 2023.

GSWA received approximately 18% of total contributions from its annual fund-raising gala and music festival event held during the year ended June 30, 2023.

**NOTE 4 - INVESTMENTS**

Investments are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of the following at June 30, 2023:

<u>Investments</u>	<u>Cost</u>	<u>Fair Value</u>
Mutual funds	\$1,284,460	\$1,592,957
Money Market	92,837	92,837
Equity	<u>107,994</u>	<u>119,946</u>
<b>Total</b>	<b><u>\$1,485,291</u></b>	<b><u>\$1,805,741</u></b>

**NOTE 5 – FAIR VALUE MEASUREMENTS**

*FASB ASC 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under *FASB ASC 820* are as follows:

Level 1 Inputs – Unadjusted quoted market prices for identical assets or liabilities in active markets that GSWA has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

**GREAT SWAMP WATERSHED ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 5 – FAIR VALUE MEASUREMENTS (CONTINUED)**      **DRAFT**

Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

*Mutual Funds and Money Market Accounts:* The fair values of equity and fixed income mutual funds and money market accounts totaling \$1,805,741 as of June 30, 2023, respectively, are calculated at quoted market prices in active markets and are Level 1 measurements.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although Great Swamp Watershed Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, GSWA’s investments at fair value as of June 30, 2023:

	<b><u>Investments at Fair Value June 30, 2023</u></b>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Investments</u>				
Mutual funds	\$1,592,957	\$ -	\$ -	\$1,592,957
Money Market	92,837	-	-	92,837
Equity	<u>119,946</u>	<u>-</u>	<u>-</u>	<u>119,946</u>
<b>Total investments at fair value</b>	<b><u>\$1,805,741</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>\$1,805,741</u></b>

There have been no changes in the methods or assumptions used during the years ended June 30, 2023, and there were no transfers between various levels.

**NOTE 6 – PROPERTY AND EQUIPMENT**

Property and Equipment, as of June 30, 2023, consists of the following-

Land	\$416,700
Equipment	<u>69,749</u>
Total	486,449
Less: accumulated depreciation	<u>(46,079)</u>
Property and Equipment	<b><u>\$440,370</u></b>

Depreciation expense for the year ended June 30, 2023 was \$8,492.

The Organization owns 33.25 acres of land that is not deed restricted. As of June 30, 2023, the Organization also owns and manages preserved properties, acquired for conservation purposes, totaling 52.23 acres in Harding Township. Its fair market value is zero and it has no resale value.

Additionally, the Organization maintains three easements totaling 5.31 acres with no economic value and minimum cost to maintain, as such there are no recorded values on the financial statements.

**GREAT SWAMP WATERSHED ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 7 – RIGHT-OF-USE ASSETS – OPERATING LEASE**

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The Organization adopted the new accounting standard for leases (*FASB ASC 842*) on July 1, 2022. The major impact of this new standard on the financial statements is related to space that is leased for administrative operations of the Organization. These arrangements are operating leases and have been recorded on the financial statements as right-of-use assets – operating leases (“ROU”). Upon adoption of the standard, the Organization recognized operating ROU assets of \$291,609. The right-of-use assets – operating leases are amortized on the straight-line basis over the term of the respective leases.

Right-of-use assets consist of the following on June 30, 2023:

Right-of-use assets	\$291,609
Accumulated amortization	<u>(28,990)</u>
	<u>\$262,619</u>

**NOTE 8 - LEASE COMMITMENTS**

The organization entered into an operating lease agreement for office space. Lease expense for the year was \$34,500. The total monthly base rent is \$2,875. The current lease is set to expire September 2031. The monthly rent will be adjusted by the Consumer Price Index each year starting in the second year of the lease. The Organization can opt out of the lease at any time upon ninety days written notice to the lessor.

The future minimum lease payments under the lease for the next five years ended June 30:

6-30-2024	\$ 34,500
6-30-2025	34,500
6-30-2026	34,500
6-30-2027	34,500
6-30-2028	34,500
Thereafter	<u>112,125</u>
Total	284,625
Less: present value discount	<u>(22,006)</u>
<b>Total Lease Liability</b>	<b><u>\$262,619</u></b>

**NOTE 9 – LINE OF CREDIT**

The Organization has a revolving line of credit of \$350,000 with Citizens Bank. Balance outstanding as of June 30, 2023 was \$0. Interest expense on the line of credit for the year ended June 30, 2023 was \$0.

**NOTE 10 - RESTRICTIONS ON ASSETS**

A portion of the Organization’s fund balance is restricted by donors and the Board of Trustees for the purpose of stewardship of preserved properties and annual monitoring. For the year ended June 30, 2023, net assets with donor restrictions had a balance of \$81,930.

**NOTE 11 - NET ASSETS**

Net assets consists of the following components as of June 30, 2023:

<u>Net Assets with Donor Restrictions</u>	
Donor-restricted for continued investment	\$ 65,080
Donor-restricted for fundraising and general operations	<u>16,850</u>
Total net assets with donor restrictions	81,930
Net assets without donor restrictions	<u>2,527,731</u>
<b>Total Net Assets</b>	<b><u>\$2,609,661</u></b>

**GREAT SWAMP WATERSHED ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 2023**

**DRAFT**

**NOTE 12 - GRANTS**

The organization received grants totaling \$90,000 from two foundations during the year ended June 30, 2023. These grants are for general operating support, including various program services.

**NOTE 13 – FUNDRAISING EVENTS AND COSTS**

Ticket income derived from such events amounted to \$37,410 for the year ended June 30, 2023. Other contributions are received from donors at these events.

The entity incurs various costs to raise funds and solicit additional contributions. Fundraising costs include expenses for hall rentals, food, guest speakers, audio and visual, printing, supplies and security.

**NOTE 14 - RELATED PARTY TRANSACTIONS**

Board members and/or their related entities contribute to GSWA's revenues and support. Board members and/or their related entities contributed \$28,130 during the year ended June 30, 2023.

**NOTE 15 - DONATED GOODS AND SERVICES**

Great Swamp receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition has not been satisfied.

Certain services and goods provided to Great Swamp without charge or at reduced cost are reflected in the financial statements, including the following during the year ended June 30, 2023

Land Easement -Sblendorio	\$550,000
Auction Sales	<u>48,265</u>
<b>Total In-Kind Gifts</b>	<b><u>\$598,265</u></b>

**NOTE 16 – RETIREMENT PLAN**

The Organization has a retirement plan under section 401(k) of the Internal Revenue Code (the "Plan"), for the benefit of all eligible employees. Employees of the Organization are eligible to make Elective Deferral Contributions and receive Safe Harbor Matching Contributions on the first day of the calendar month, after completing 3 months of service. The Organization may also make Non-Elective Contributions to the plan to eligible employees who have completed 12 months of service.

The Plan allows employees to defer their compensation to a maximum of \$20,500 for 2022 and \$22,500 for 2023 with a catch-up contribution of \$6,500 for 2022 and \$7,500 for 2023 for employees aged 50 or older, adjusted annually for cost of living by IRS. Participants may increase or decrease their elective deferral contributions at monthly intervals throughout the plan year.

The Organization will make safe harbor matching contributions of the first 6% of the compensation contributed as an elective deferral.

Participants are always 100% vested in their Elective Deferrals, Rollover Contributions and Safe Harbor Matching Contributions. For Non-Elective Contributions, participants are vested based on Years of Vesting Service as defined in the Summary Plan Description. Contributions made by GSWA for the year ended June 30, 2023 were \$33,538.

**GREAT SWAMP WATERSHED ASSOCIATION**  
**Notes to Financial Statements**  
**June 30, 2023**

**NOTE 17 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

**DRAFT**

The Organization’s financial assets available within one year of the balance sheet date for general expenditures consist of the following at June 30:

Cash and cash equivalents	\$ 428,458
Contributions receivable	1,000
Investments	<u>1,805,741</u>
Financial assets, at year end	2,235,199
Less those unavailable for general expenditures within one year:	
Donor restricted for continued investment	(65,080)
Donor restricted for fund raising and general operations	<u>(16,850)</u>
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b><u>\$2,153,269</u></b>

The Organization has a goal to maintain financial assets to meet operating expenses. These assets are comprised of cash and cash equivalents, contributions receivable and investments.

**NOTE 18 - SUBSEQUENT EVENTS**

Management has evaluated the impact of all subsequent events through January 15, 2024, the date the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in the financial statements.