

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024



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NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
New Jersey Conservation Foundation and Subsidiary
Far Hills, New Jersey

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of New Jersey Conservation Foundation and Subsidiary (collectively, the Foundation), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of New Jersey Conservation Foundation and Subsidiary as of December 31, 2025 and 2024, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Jersey Conservation Foundation and Subsidiary, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated financial statements.

In performing an audit in accordance with GAAS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Foundation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.



CliftonLarsonAllen LLP

Livingston, New Jersey
July 13, 2026

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,294,284	\$ 4,259,898
Investments	23,133,371	19,705,043
Unconditional Promises to Give	300,000	300,000
Prepaid Expenses and Other Current Assets	168,203	200,072
Total Current Assets	<u>25,895,858</u>	<u>24,465,013</u>
OTHER ASSETS		
Unconditional Promises to Give, Net of Current Portion	259,474	517,327
Other Receivable	-	521,143
Beneficial Interest in Split-Interest Agreements	94,371	98,852
Land, Buildings, and Easements	42,259,973	41,793,951
Property and Equipment, Net	22,907	37,277
Total Other Assets	<u>42,636,725</u>	<u>42,968,550</u>
RIGHT-OF-USE ASSETS		
Operating Right-of-Use Asset	54,388	83,862
Financing Right-of-Use Asset	6,370	17,289
Total Right-of-Use Assets	<u>60,758</u>	<u>101,151</u>
Total Assets	<u><u>\$ 68,593,341</u></u>	<u><u>\$ 67,534,714</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 520,015	\$ 390,046
Grants Payable	197,034	342,711
Current Lease Liability - Operating	52,524	41,959
Current Lease Liability - Financing	6,546	11,100
Total Current Liabilities	<u>776,119</u>	<u>785,816</u>
LONG-TERM LIABILITIES		
Long-Term Lease Liability - Operating	2,522	42,938
Long-Term Lease Liability - Financing	-	6,545
Total Long-Term Liabilities	<u>2,522</u>	<u>49,483</u>
Total Liabilities	778,641	835,299
NET ASSETS		
Without Donor Restrictions	62,348,217	57,999,907
With Donor Restrictions	5,466,483	8,699,508
Total Net Assets	<u>67,814,700</u>	<u>66,699,415</u>
Total Liabilities and Net Assets	<u><u>\$ 68,593,341</u></u>	<u><u>\$ 67,534,714</u></u>

See accompanying Notes to Consolidated Financial Statements.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 3,038,658	\$ 890,185	\$ 3,928,843	\$ 2,776,120	\$ 2,289,835	\$ 5,065,955
Government Grants	2,447,238	-	2,447,238	857,778	-	857,778
Donated Services	32,194	-	32,194	150,000	-	150,000
Investment Income, Net	388,239	116,933	505,172	394,367	161,424	555,791
Miscellaneous	111,606	23,245	134,851	217,107	19,400	236,507
Special Events	430,796	-	430,796	422,250	-	422,250
Net Assets Released from Restrictions	4,489,371	(4,489,371)	-	3,339,055	(3,339,055)	-
Total Support and Revenue	10,938,102	(3,459,008)	7,479,094	8,156,677	(868,396)	7,288,281
EXPENSES						
Program Expenses:						
Conservation Program Services	5,318,784	-	5,318,784	4,640,780	-	4,640,780
Supporting Services:						
Management and General	458,227	-	458,227	599,373	-	599,373
Fundraising	884,879	-	884,879	966,286	-	966,286
Total Expenses	6,661,890	-	6,661,890	6,206,439	-	6,206,439
EXCESS SUPPORT AND REVENUE OVER (UNDER)						
EXPENSES BEFORE OTHER ADDITIONS (DEDUCTIONS)	4,276,212	(3,459,008)	817,204	1,950,238	(868,396)	1,081,842
OTHER ADDITIONS (DEDUCTIONS)						
Change in Value of Split-Interest Agreements	-	(4,481)	(4,481)	-	2,597	2,597
Contributions of Land	2,100	-	2,100	26,000	-	26,000
Loss on Disposition of Land	(1,470,206)	-	(1,470,206)	(1,118,775)	-	(1,118,775)
Change in Value of Land, Buildings, and Easements	(843,249)	-	(843,249)	(70,836)	-	(70,836)
Realized Gain (Loss) on Investments, Net	382,885	35,705	418,590	321,865	21,370	343,235
Unrealized Gain on Investments, Net	2,000,568	194,759	2,195,327	1,347,927	55,551	1,403,478
Total Other Additions (Deductions)	72,098	225,983	298,081	506,181	79,518	585,699
CHANGE IN NET ASSETS	4,348,310	(3,233,025)	1,115,285	2,456,419	(788,878)	1,667,541
Net Assets - Beginning of Year	57,999,907	8,699,508	66,699,415	55,543,488	9,488,386	65,031,874
NET ASSETS - END OF YEAR	<u>\$ 62,348,217</u>	<u>\$ 5,466,483</u>	<u>\$ 67,814,700</u>	<u>\$ 57,999,907</u>	<u>\$ 8,699,508</u>	<u>\$ 66,699,415</u>

See accompanying Notes to Consolidated Financial Statements.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Conservation Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 1,700,993	\$ 291,599	\$ 437,398	\$ 2,429,990
Employee Benefits and Payroll Taxes	353,354	60,575	90,862	504,791
Program Grants and Contributions	1,559,126	9,685	1,016	1,569,827
Professional Fees	1,151,618	50,156	106,500	1,308,274
Donated Professional Fees	32,194	-	-	32,194
Field Supplies	50,212	-	-	50,212
Office Expenses	4,520	586	1,280	6,386
Postage and Printing	22,082	2,259	45,227	69,568
Occupancy	53,127	7,581	11,722	72,430
Insurance	73,470	11,211	16,817	101,498
Real Estate Taxes	44,519	-	-	44,519
Equipment Rental and Maintenance	24,286	1,819	2,650	28,755
Information Technology	72,389	11,859	17,789	102,037
Travel	28,644	1,493	5,414	35,551
Conferences and Meetings	22,939	3,350	6,975	33,264
Telephone	23,715	3,209	5,353	32,277
Depreciation	10,059	1,724	2,587	14,370
Facility Rental, Food and Beverage, and Entertainment for Special Event	-	-	110,350	110,350
Bad Debt Recovery	-	(9,000)	-	(9,000)
Interest	103	24	32	159
Amortization	7,043	1,692	2,184	10,919
Miscellaneous	84,391	8,405	20,723	113,519
Total Expenses	<u>\$ 5,318,784</u>	<u>\$ 458,227</u>	<u>\$ 884,879</u>	<u>\$ 6,661,890</u>

See accompanying Notes to Consolidated Financial Statements.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Conservation Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 1,573,697	\$ 378,175	\$ 487,968	\$ 2,439,840
Employee Benefits and Payroll Taxes	357,981	86,026	111,002	555,009
Program Grants and Contributions	1,620,383	1,252	-	1,621,635
Professional Fees	465,620	57,260	83,371	606,251
Donated Professional Fees	150,000	-	-	150,000
Field Supplies	45,357	-	-	45,357
Office Expenses	3,542	3,655	630	7,827
Postage and Printing	17,840	377	39,848	58,065
Occupancy	50,881	7,663	9,887	68,431
Insurance	66,699	14,311	18,465	99,475
Real Estate Taxes	35,129	-	-	35,129
Equipment Rental and Maintenance	20,180	2,294	3,410	25,884
Information Technology	57,104	11,343	14,836	83,283
Travel	27,577	617	6,530	34,724
Conferences and Meetings	15,330	3,070	4,535	22,935
Telephone	16,253	2,460	3,879	22,592
Depreciation	12,113	2,911	3,756	18,780
Facility Rental, Food and Beverage, and Entertainment for Special Event	-	-	155,577	155,577
Bad Debt Expense	20,250	6,750	-	27,000
Interest	201	48	63	312
Amortization	7,713	1,853	2,392	11,958
Miscellaneous	76,930	19,308	20,137	116,375
Total Expenses	<u>\$ 4,640,780</u>	<u>\$ 599,373</u>	<u>\$ 966,286</u>	<u>\$ 6,206,439</u>

See accompanying Notes to Consolidated Financial Statements.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,115,285	\$ 1,667,541
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	14,370	18,780
Amortization of Right-of-Use Asset	10,443	11,450
Change in Value of Land, Buildings, and Easements	843,249	70,836
Contributions of Investments	(236,090)	(904,419)
Proceeds from Sales of Contributions of Investments	242,793	1,280,857
Contributions of Land	(2,100)	(26,000)
Bad Debt (Recovery) Expense	(9,000)	27,000
Net Loss on Disposition of Land	1,470,206	1,118,775
Net Realized and Unrealized Gain on Investments	(2,613,917)	(1,746,713)
Change in Beneficial Interest in Split-Interest Agreements	4,481	27,000
Change in Assets and Liabilities:		
Unconditional Promises to Give, Net	257,853	(817,327)
Grant Receivable	-	61,500
Prepaid Expenses and Other Current Assets	31,869	(52,222)
Other Receivable	530,143	(27,955)
Accounts Payable and Accrued Expenses	129,969	43,597
Grants Payable	(145,677)	342,711
Net Cash Provided by Operating Activities	<u>1,643,877</u>	<u>1,095,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(10,555,749)	(4,878,698)
Proceeds from Sale of Investments	9,734,635	4,451,495
Payment for Purchases of Land and Easements	(2,813,117)	(704,461)
Proceeds from disposition of Land and Easements	35,740	-
Net Cash Used by Investing Activities	<u>(3,598,491)</u>	<u>(1,131,664)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Finance Lease Obligation	(11,000)	(11,997)
Net Cash Used by Financing Activities	<u>(11,000)</u>	<u>(11,997)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,965,614)	(48,250)
Cash and Cash Equivalents - Beginning of Year	<u>4,259,898</u>	<u>4,308,148</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,294,284</u></u>	<u><u>\$ 4,259,898</u></u>

See accompanying Notes to Consolidated Financial Statements.

**NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 1 NATURE OF FOUNDATION

New Jersey Conservation Foundation (NJ Conservation) is a statewide, nonprofit corporation incorporated in the state of New Jersey. The mission of NJ Conservation is to preserve New Jersey's land natural resources for the benefit of all. As a leading innovator and catalyst for saving land, New Jersey Conservation protects strategic lands through acquisition and stewardship, promotes strong land use policies, and forges partnerships to achieve conservation goals.

NJCF Preserves, LLC (Preserves) is a single member limited liability company, incorporated in the state of New Jersey, with NJ Conservation as the sole member. There were no operations during the years ended December 31, 2025 and 2024. The LLC is a disregarded entity for tax purposes.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Consolidated Financial Statement Presentation

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed stipulations. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. Also, other net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and change in net assets as net assets released from restrictions.

Principles of Consolidation

The consolidated financial statements include the accounts of NJ Conservation and its 100% wholly owned subsidiary, Preserves (collectively, the Foundation). All significant intercompany accounts and transactions have been eliminated in consolidation.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand, in banks, and short-term, highly liquid investments with original maturities of three months or less.

Fair Value

Fair value measurements are defined as the amount 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. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

Level 1 – Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated with, observable market data.

Level 3 – Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

The fair value of investments is as follows:

Equity Securities – Readily determinable fair values are stated at their fair value. Investments received by gift are recorded at fair value at the date of receipt and liquidated soon after receipt.

Mutual Funds – Based on quoted market prices.

Small Cap Equity Fund – Valued at management's estimated fair value, using the net asset value, of the Foundation's ownership interest as provided by management of the fund. There are no unfunded commitments and no redemption notice period or redemption frequency.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value (Continued)

The preceding method described may produce fair value estimates that may not be indicative of the net realizable values and reflective of future values. Furthermore, although management believes its valuation methods are appropriate and consistent with the practices of 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 fair values assigned to these assets do not necessarily represent amounts that might ultimately be realized and the differences may be material.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2025 and 2024, there were no significant transfers in or out of Levels 1, 2, or 3.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from outstanding balances. The Organization provides for doubtful amounts through a charge to operations and a credit to an allowance for doubtful accounts, which is based on a combination of an assessment of specific donors' and grantors' ability to pay, historical loss experience, current economic conditions, and forward-looking information. Balances that remain outstanding after reasonable collection efforts are written off through a charge to the allowance and a credit to grants receivable. Management has determined that no allowance is necessary at December 31, 2025 and 2024.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are reported at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which promises are received. Amortization of the discounts is included in contribution revenue. The Foundation determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At December 31, 2025 and 2024 an allowance of \$18,000 and \$27,000, respectively, was recorded.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Office Furniture and Equipment

Office furniture and equipment are recorded at cost on the date of acquisition, or at the fair value of the asset, based on values of comparable assets at the date of gift for donated assets. The Foundation capitalizes assets with a cost or fair value exceeding \$5,000 and a useful life of more than one year. Depreciation is computed on a straight-line basis over the estimated useful life as follows:

Office Furniture and Equipment	5 Years
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In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as support without donor restrictions. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs, and minor renewals are charged to operations as incurred. Significant renewals and betterments that extend the useful life of the assets are capitalized.

Land and Easements

Land is recorded at cost on the date of acquisition, or at the fair value of the asset, based on values of comparable assets at the date of gift for donated assets. There were two properties included in land and easements that are subject to life estates totaling approximately \$1,122,000 at December 31, 2024. During 2025, these life estates were extinguished and are included in unrestricted net assets at December 31, 2025. Gains and losses, if any, are recognized upon disposition.

Easements are stated at a nominal value of \$1. Since the benefits of such easements accrue to the public upon acquisition, the fair value of easements acquired is recorded in the year of acquisition as an addition to net assets, and, unless conveyed to a public agency for consideration, shown as a reduction in net assets to recognize that these easements have no marketable value once severed from the land and held by the Foundation. As of December 31, 2025 and 2024, there were 36 purchased and 77 donated easements.

Costs directly associated with the acquisition of land and easements are deferred and included in the consolidated statements of financial position under land and easements.

Valuation of Long-Lived Assets

The Foundation reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no adjustment was required for the periods presented in these financial statements.

Beneficial Interest in Split-Interest Agreements

Beneficial interest in split-interest agreements consists of charitable remainder trusts and charitable gift annuities. The Foundation is not the trustee of these trusts or annuities.

Charitable remainder trusts are arrangements in which the donor establishes and funds a trust with specified distributions to be made to a designated beneficiary or beneficiaries over the trust's term.

**NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interest in Split-Interest Agreements (Continued)

Upon termination of the trust, the Foundation receives all, or a portion of, the assets remaining in the trust. The fair value of the trusts is computed at the present value (no discount at December 31, 2025 and 2024 of the estimated cash flows to be received from the trusts. The trusts are recorded as net assets with donor restrictions and the changes in the value of the trust have been recorded in the consolidated statements of activities. The amount of the Foundation's beneficial interest in the charitable remainder trusts as of December 31, 2025 and 2024 was \$85,519 and \$90,000, respectively, and is recorded in the consolidated statements of financial position.

A charitable gift annuity is an arrangement whereby the donor contributes assets to a Foundation in exchange for a promise by the Foundation to pay a fixed amount for a specified period of time to the donor, or to individuals or foundations designated by the donor. Under the terms of the agreements, the Foundation is to receive an amount equal to the residuum of the gifts, but the residuum is not to be more than the initial deposit. The amount of the Foundation's beneficial interest in the residuum as of December 31, 2025 and 2024 was \$8,852, and is recorded in the consolidated statements of financial position.

Revenue Recognition

The Foundation receives its support in the form of contributions from corporations, foundations, and individuals, as well as from government grants. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions of assets other than cash are recorded at their fair value at the date of donation. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Foundation's revenue is derived from cost-reimbursable federal and state contracts and grants. The grants and contracts provide funding to support the mission of the Foundation. As the government is not receiving a benefit as a result of the contracts and grants, the government funding is considered a contribution. The grants and contracts are conditioned upon certain performance requirements and or the incurrence of allowable qualifying expenses and, therefore, are considered conditional promises to give. Contribution revenue is recorded when expenditures have been incurred in compliance with the terms of each grant or contract. Cost reimbursable grants and contract amounts not yet recognized as of December 31, 2025 and 2024 were approximately \$5,241,861 and \$3,365,050, respectively, because qualifying expenditures had not yet been incurred. Amounts received prior to incurring qualifying expenditures are reported as grants payable in the consolidated statements of financial position. For the years ended December 31, 2025 and 2024, \$199,584 and \$342,711, respectively, was received prior to qualifying expenditures.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue (difference of cash receipt and the direct benefit), which is included in special events in the statements of activities and changes in net assets. The recognition of revenue is conditional on the event taking place, as this is the point in time when the performance obligation of hosting the event occurs, and attendees can no longer request a refund for their tickets purchased. As of December 31, 2025 and 2024, contributions associated with special events of \$296,296 and \$288,529, respectively, are included in the consolidated statements of activities.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation received donated legal fees, which amounted to approximately \$17,500 and \$150,000 for the years ended December 31, 2025 and 2024, respectively. Contributions of services are recognized by the Foundation as donated services without donor restrictions and are included as program expenses in the consolidated statements of activities.

Income Taxes

The Foundation is a nonprofit foundation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes.

The Foundation follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Foundation's consolidated financial statements. The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Foundation's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during 2025 and 2024. At December 31, 2025 and 2024, there are no significant income tax uncertainties.

Use of Estimates

In preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Foundation leases office space and equipment. The Foundation determines if an arrangement is a lease at inception. Operating leases are included in the operating lease right-of-use assets, other current liabilities, and operating leases on the statements of financial position.

Right-of-use (ROU) assets represent the Foundation's right to use an underlying asset for the lease term and the lease liabilities present the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Foundation uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. The lease expense for lease payments is recognized on a straight-line basis over the lease term. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and the leases are not included as lease liabilities or right of use assets on the statements of financial position.

The Foundation's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating contracts to determine if they qualify as a lease, the Foundation considers factors such as if the Foundation obtained substantially all of the rights to the underlying asset through exclusivity, if the Foundation can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Subsequent Events

The Foundation has evaluated its subsequent events and transactions occurring after December 31, 2025 through July 13, 2026, the date that the consolidated financial statements were available to be issued.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 INVESTMENTS

As of December 31, investments consist of the following:

	2025	2024
Mutual Funds - Bonds	\$ 8,735,545	\$ 7,370,725
Mutual Funds - Equities	13,694,477	11,716,231
Small Cap Equity Fund	703,349	617,080
Other Equity - Stocks	-	1,007
Total Investments	<u>23,133,371</u>	<u>19,705,043</u>
Cash and Cash Equivalents	<u>2,294,284</u>	<u>4,259,898</u>
Total Investments, Cash, and Cash Equivalents	<u><u>\$ 25,427,655</u></u>	<u><u>\$ 23,964,941</u></u>

Investments, cash, and cash equivalents are comprised of:

	2025	2024
General Operating Funds	\$ 2,438,421	\$ 2,276,062
Program, Capital Campaign, and Land Acquisition Funds	7,214,105	8,900,415
Endowment Funds (Board-Designated and Donor-Restricted)	<u>15,775,129</u>	<u>12,788,464</u>
Total	<u><u>\$ 25,427,655</u></u>	<u><u>\$ 23,964,941</u></u>

Fair value measurements of investments as of December 31, 2025 are as follows:

	2025			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual Funds - Bonds	\$ 8,735,545	\$ -	\$ -	\$ 8,735,545
Mutual Funds - Equity	13,694,477	-	-	13,694,477
Small Cap Equity Fund (A)	-	-	-	703,349
Total	<u>22,430,022</u>	<u>-</u>	<u>-</u>	<u>23,133,371</u>
Beneficial Interest in				
Charitable Remainder Trusts	-	-	85,519	85,519
Charitable Gift Annuities	<u>-</u>	<u>-</u>	<u>8,852</u>	<u>8,852</u>
Total Investments at Fair Value	<u><u>\$ 22,430,022</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 94,371</u></u>	<u><u>\$ 23,227,742</u></u>

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 3 INVESTMENTS (CONTINUED)

Fair value measurements of investments as of December 31, 2024 are as follows:

	2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual Funds - Bonds	\$ 7,370,725	\$ -	\$ -	\$ 7,370,725
Mutual Funds - Equity	11,716,231	-	-	11,716,231
Small Cap Equity Fund (A)	-	-	-	617,080
Other Equity - Stocks	1,007	-	-	1,007
Total	19,087,963	-	-	19,705,043
Beneficial Interest in				
Charitable Remainder Trusts	-	-	90,000	90,000
Charitable Gift Annuities	-	-	8,852	8,852
Total Investments at				
Fair Value	<u>\$ 19,087,963</u>	<u>\$ -</u>	<u>\$ 98,852</u>	<u>\$ 19,803,895</u>

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

The following table provides further details of Level 3 fair value measurements as of December 31:

	2025	2024
Balance - Beginning of Year	\$ 90,000	\$ 117,000
Change in Value of Charitable Remainder Trusts	(4,481)	(27,000)
Balance - End of Year	<u>\$ 85,519</u>	<u>\$ 90,000</u>

The charitable remainder trust is within beneficial interest in split-interest agreements on the consolidated statements of financial position.

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2025 and 2024, respectively.

December 31, 2025	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Small Cap Equity Fund (1)	\$ 703,349	\$ -	Daily	N/A
December 31, 2024	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Small Cap Equity Fund (1)	\$ 617,080	\$ -	Daily	N/A

(1)The fair value of the investment has been estimated using the NAV of the Fund's ownership interest in the fund. NAV is calculated on a monthly recurring basis. Distributions received are reinvested in the funds.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
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NOTE 4 UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give as of December 31 are as follows:

	2025	2024
Receivable Due in One Year	\$ 300,000	\$ 300,000
Receivable in One to Five Years	300,000	600,000
Total	600,000	900,000
Less: Present Value Discount	(22,526)	(55,673)
Less: Allowance	(18,000)	(27,000)
Unconditional Promises to Give, Net	<u>\$ 559,474</u>	<u>\$ 817,327</u>

Unconditional promises to give due in more than one year were discounted at a rate of 3.89%. As of December 31, 2025 and 2024. Unconditional promises to give were pledged by one foundation.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment is comprised as follows:

	Useful Life	2025	2024
Office Equipment	5 Years	\$ 265,711	\$ 265,711
Less: Accumulated Depreciation		242,804	228,434
Property and Equipment, Net		<u>\$ 22,907</u>	<u>\$ 37,277</u>

Depreciation expense for the years ended December 31, 2025 and 2024 was \$14,370 and \$18,780, respectively.

NOTE 6 RETIREMENT PLAN

The Foundation maintains a 401(k) profit-sharing plan (the Plan) covering all eligible employees as defined by the Plan. The Foundation partially matches employee contributions and may make a discretionary contribution to the Plan up to 3% of employees' eligible compensation. The Foundation matches the employee contributions up to 6% of eligible compensation. The Foundation did not make any discretionary contributions in 2025 or 2024. The Foundation's expense related to the Plan was \$113,433 and \$118,457 for the years ended December 31, 2025 and 2024, respectively, and is within employee benefits and payroll taxes in the consolidated statement of functional expenses.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 7 RELATED PARTY TRANSACTIONS

During 2014, the Conservation Hunters Association Inc. (the Association), a 501(c)(7) foundation, was formed. The Association's board of trustees is comprised of a board member and two staff members of NJ Conservation in 2025 and 2024.

In November of 2015, Rethink Energy of NJ (Rethink), a 501(c)(4), was formed. Two of the Foundation's board members and one staff member are members of the board of trustees of Rethink. The Foundation gave a grant to Rethink in the amount of \$27,500 and \$354,500 during the years ended December 31, 2025 and 2024, respectively, and is recorded in program grants and contributions in the consolidated statement of functional expenses.

NOTE 8 LEASES – ASC 842

The Foundation leases office space for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027. In the normal course of business, it is expected that the leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements usually require the Foundation to pay real estate taxes, insurance, and repairs.

The following table provides quantitative information concerning the Foundation's leases:

	<u>2025</u>	<u>2024</u>
Lease Costs:		
Finance Lease Costs:		
Amortization of Right-of-Use Assets	\$ 10,919	\$ 11,959
Interest on Lease Liabilities	159	312
Operating Lease Costs	<u>48,428</u>	<u>48,055</u>
Total Lease Costs	<u>\$ 59,506</u>	<u>\$ 60,326</u>
Other Information:		
Operating Cash Flows from Financing Leases	\$ 159	\$ 312
Operating Cash Flows from Operating Leases	48,805	48,563
Financing Cash Flows from Financing Leases	11,100	11,997
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	17,747	-
Weighted-Average Remaining Lease Term - Financing Leases	0.5 Years	1.5 Years
Weighted-Average Remaining Lease Term - Operating Leases	1.1 Years	1.9 Years
Weighted-Average Discount Rate - Financing Leases	1.37 %	1.37 %
Weighted-Average Discount Rate - Operating Leases	1.89 %	1.46 %

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
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NOTE 8 LEASES – ASC 842 (CONTINUED)

The Foundation classifies the total undiscounted lease payments that are used in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025 is as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2026	\$ 52,525	\$ 6,568
2027	3,097	-
Total Lease Payments	55,622	6,568
Less: Interest	(576)	(22)
Present Value of Lease Liabilities	<u>\$ 55,046</u>	<u>\$ 6,546</u>

NOTE 9 NET ASSETS WITHOUT DONOR RESTRICTIONS

The Foundation's net assets without donor restrictions is comprised of undesignated and board-designated amounts for the following purposes at December 31:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 46,741,504	\$ 45,380,007
Board-Designated Endowment for Stewardship Purposes	5,585,288	4,337,439
Board-Designated for Endowment for Long-Term Financial Purposes	10,021,425	8,282,461
Total Net Assets Without Donor Restrictions	<u>\$ 62,348,217</u>	<u>\$ 57,999,907</u>

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 10 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of December 31:

	2025	2024
Subject to Expenditures for Specified Purpose:		
Land Acquisition	\$ 1,353,198	\$ 1,231,526
Stewardship of Land and Easements	874,338	979,961
Program Management	3,004,090	5,126,294
Total	<u>5,231,626</u>	<u>7,337,781</u>
Subject to the Passage of Time:		
Beneficial Interest in Split-Interest Agreements	94,371	98,854
Life Estates	-	1,122,387
Total	<u>94,371</u>	<u>1,221,241</u>
Endowment:		
Perpetual in Nature, the Earnings from Which are		
Subject to Expenditures for a Specific Purpose		
Internship Program	40,486	40,486
Support of Land Acquisition	100,000	100,000
Total Endowment	<u>140,486</u>	<u>140,486</u>
Total Net Assets With Donor Restrictions	<u><u>\$ 5,466,483</u></u>	<u><u>\$ 8,699,508</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ended December 31:

	2025	2024
Termination of Life Estates	\$ 1,122,387	\$ -
Satisfaction of Purpose Restriction:		
Land Acquisition	62,576	59,955
Stewardship of Land and Easements	323,640	146,533
Program Management	2,980,768	3,132,567
Total	<u><u>\$ 4,489,371</u></u>	<u><u>\$ 3,339,055</u></u>

NOTE 11 ENDOWMENT AND BOARD-DESIGNATED FUNDS

The Foundation's endowment includes a donor-restricted internship program endowment fund. The internship program endowment fund was established by the donors for an internship program. The investments are used for annual funding of the program. In 2021, an additional donor restricted gift in the amount of \$100,000 was added. The income from this gift is to be used to help further efforts to protect land in New Jersey.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
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NOTE 11 ENDOWMENT AND BOARD-DESIGNATED FUNDS (CONTINUED)

The endowment also includes funds designated by the board of trustees to function as endowments (board-designated funds). There are two sub-funds: one for stewardship of land and easements and one for the long-term operations of the Foundation. As required by U.S. GAAP, net assets associated with endowment funds, including board-designated funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of trustees has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as the gift date to the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the foundation and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Foundation; and
- The investment policies of the Foundation.

Endowment and board-designated endowment net assets composition by type of fund as of December 31, 2025 and 2024 is as follows:

	December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment:			
Long-Term Operations	\$ 10,021,425	\$ -	\$ 10,021,425
Stewardship Funds	5,585,288	-	5,585,288
Donor-Restricted Endowment Funds			
Required to be Maintained in Perpetuity	-	140,486	140,486
Total Fund	<u>\$ 15,606,713</u>	<u>\$ 140,486</u>	<u>\$ 15,747,199</u>

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 ENDOWMENT AND BOARD-DESIGNATED FUNDS (CONTINUED)

	December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment:			
Long-Term Operations	\$ 8,282,461	\$ -	\$ 8,282,461
Stewardship Funds	4,337,439	-	4,337,439
Donor-Restricted Endowment Funds			
Required to be Maintained in Perpetuity	-	140,486	140,486
Total Fund	<u>\$ 12,619,900</u>	<u>\$ 140,486</u>	<u>\$ 12,760,386</u>

As of December 31, 2025 and 2024, the Foundation's endowment and board-designated net assets had the following activity:

	Year Ended December 31, 2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 12,619,900	\$ 140,486	\$ 12,760,386
Transfers of Unrestricted Assets	1,115,464	-	1,115,464
Contributions	-	-	-
Investment Return	2,348,693	-	2,348,693
Total	16,084,057	140,486	16,224,543
Distribution from Board-Designated Endowment Pursuant to Spending Policy	(477,344)	-	(477,344)
Endowment Net Assets - End of Year	<u>\$ 15,606,713</u>	<u>\$ 140,486</u>	<u>\$ 15,747,199</u>

	Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 10,424,560	\$ 140,486	\$ 10,565,046
Transfers of Unrestricted Assets	877,779	-	877,779
Contributions	-	-	-
Investment Return	1,696,936	-	1,696,936
Total	12,999,275	140,486	13,139,761
Distribution from Board-Designated Endowment Pursuant to Spending Policy	(379,375)	-	(379,375)
Endowment Net Assets - End of Year	<u>\$ 12,619,900</u>	<u>\$ 140,486</u>	<u>\$ 12,760,386</u>

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 11 ENDOWMENT AND BOARD-DESIGNATED FUNDS (CONTINUED)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or law requires the Foundation to retain as a fund of perpetual duration. The Foundation has determined to not spend from underwater endowments until amounts are fully recovered. There were no such deficiencies as of December 31, 2025 or 2024.

Return Objectives/Risk Parameters and Spending Policy

The board-designated endowment funds were established from contributions from net assets without donor restrictions for the management and conservation of monies to be used in furtherance of the goals and purposes of the Foundation. They are separated into two sub funds: a stewardship fund and a more general fund for long-term operations.

Four percent of the principal from board-designated endowment fund assets shall be included in the annual budget of the Foundation, to be used for the general day-to-day operations of the Foundation. Upon written request of the executive director of the Foundation, withdrawals from the principal of the board-designated endowment funds may be made if authorized by the majority vote of the board of trustees. The Foundation also has a donor-designated internship endowment fund. The internship endowment funds' principal is to be held in perpetuity; the earnings are to be spent on an internship program. Both board-designated and donor-restricted endowment funds shall be overseen by the finance committee, with the objectives of obtaining a long-term return on investment from income and capital appreciation consistent with prudent risk.

Strategies Employed for Achieving Objectives

The finance committee mitigates risk by diversifying investments among major asset categories and within such major categories. The major categories are cash and cash equivalents, fixed income, equity investments, and alternative investments. Cash or cash equivalents should normally not exceed 15% of the total endowment fund assets, with a target of 0%. Fixed income should represent between 20.5% and 50.5% of the total endowment fund assets, with a target of 35.5%. Equity investments should represent 45.5% to 65.5%, with a target of 55.5%. Alternative investments should not exceed 10% with a target of 0%.

NOTE 12 CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash and cash equivalents in accounts with federally insured institutions. At times, the balances in these accounts may exceed federally insured limits.

The Foundation received approximately 27% of its contributions from two individual donors as of December 31, 2025.

The Foundation received approximately 46% of its contributions from three individual donors as of December 31, 2024.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

NOTE 13 FUNCTIONAL EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated include occupancy, equipment rental and maintenance, depreciation, salaries, employee benefits and payroll taxes, information technology, insurance, and postage and printing, which are allocated on the basis of time and effort spent in each department. Professional fees, program grants and contributions, travel, conferences and meetings, telephone, and office expenses are allocated to programs and supporting services, directly, according to the department that incurred the expense.

NOTE 14 LIQUIDITY AND AVAILABILITY

The following represents the Foundation's financial assets reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

	2025	2024
Cash, Cash Equivalents, and Investments, Unrestricted	\$ 9,652,526	\$ 11,176,477
Unconditional Promises to Give	300,000	300,000
Estate Gift Receivable	-	521,143
Board-Designated Endowment:		
Spending Rate Distributions	<u>550,000</u>	<u>495,000</u>
Other Investments Appropriated for Current Use	<u>(7,214,105)</u>	<u>(8,900,415)</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u>\$ 3,288,421</u>	<u>\$ 3,592,205</u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Endowment funds consist of a donor-restricted endowment and board-designated endowments. Income from the donor-restricted endowment is restricted for specific purposes and, therefore, is not available for general expenditures. The board-designated endowments have a spending rate of 4%, and a balance of approximately \$15.6 and \$12.6 million for the years ended December 31, 2025 and 2024, respectively. Although the Foundation does not intend to spend from this fund other than amounts appropriated for general expenditures as part of its annual budget, amounts could be made available if necessary.

As part of its liquidity plan, the Foundation has an established arrangement with its bank that sweeps balances over \$115,000 in checking accounts daily into demand accounts at other banks in increments under \$250,000 at each bank.

NEW JERSEY CONSERVATION FOUNDATION AND SUBSIDIARY
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DECEMBER 31, 2025 AND 2024

NOTE 15 CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets received during the years ended December 31 consisted of the following:

	2025	2024
Pro-Bono Legal Services	<u>\$ 32,194</u>	<u>\$ 150,000</u>

Valuation techniques and inputs utilized in valuing these contributed nonfinancial assets are as follows:

<u>Contributed Nonfinancial Asset</u>	<u>Valuation Techniques and Inputs</u>
Pro-Bono Legal Services	Estimated based on current rates paid by the Foundation for similar services

The Foundation's mission to preserve New Jersey's land and natural resources is supported through securing pro bono or in-kind goods and services. The Foundation's policy related to gifts in-kind is to utilize the assets given to carry out the mission of the Foundation. If an asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be sold at its fair market value. The difference between the fair market rental and the rent paid is included in contributed nonfinancial assets in the statements of activities and changes in net assets.

All gifts in-kind received by the Foundation for the years ended December 31, 2025 and 2024 were without donor restrictions and were available to be used by the Foundation as determined by management.

The Foundation also received donated services from volunteers, which are not reflected in the accompanying consolidated financial statements because the criteria for recognition under accounting principles generally accepted in the United States of America has not been satisfied.

The administrative effort needed to coordinate the logistics of such programs must be considered when attempting to understand the functioning of the Foundation.

