

NEW JERSEY TREE FOUNDATION, INC.

Financial Statements

For the years ended June 30, 2023 and 2022

(With Independent Auditor's Report thereon)

NEW JERSEY TREE FOUNDATION, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
New Jersey Tree Foundation, Inc.

Opinion

We have audited the accompanying financial statements of New Jersey Tree Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years 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 New Jersey Tree Foundation, Inc. as of June 30, 2023 and 2022, and the 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 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 New Jersey Tree Foundation, Inc. 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 New Jersey Tree Foundation, Inc.'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 New Jersey Tree Foundation, Inc.'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 New Jersey Tree Foundation, Inc.'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.

HOLMAN FRENIA ALLISON, P.C.
Certified Public Accountants

December 13, 2023
Lakewood, New Jersey

NEW JERSEY TREE FOUNDATION, INC.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 381,621	382,952
Investments	673,526	645,548
Grants receivable	43,677	84,371
Contracts receivable	24,727	59,395
Prepaid expenses	-	900
Total current assets	1,123,551	1,173,166
Non-current assets:		
Property and equipment, net	7,784	19,475
Total assets	\$ 1,131,335	\$ 1,192,641
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 9,490	\$ 6,374
Accrued payroll	-	13,208
Accrued expenses	12,700	11,982
Accrued vacation	103,703	91,785
Deferred revenue	60,037	65,027
Total liabilities	185,930	188,376
Net assets:		
Without donor restrictions	945,405	1,004,265
Total net assets	945,405	1,004,265
Total liabilities and net assets	\$ 1,131,335	\$ 1,192,641

The accompanying notes are an integral part of these financial statements.

NEW JERSEY TREE FOUNDATION, INC.
Statements of Activities
For the years ended June 30, 2023 and 2022

	2023	2022
Support and revenues:		
Government grants - nonexchange	\$ 232,169	285,289
Corporation and foundation grants - nonexchange	294,600	186,684
General support and contributions	33,434	45,084
Service revenue	267,200	281,719
In-kind contributions	27,125	18,930
Other income	513	566
Total support and revenues	855,041	818,272
Expenses:		
Program services	877,910	763,998
General and administrative	73,250	71,150
Total expenses	951,160	835,148
Changes in net assets without donor restrictions from operations		
Other income:		
Investment return, net of related expenses	37,259	(71,245)
Total other income	37,259	(71,245)
Change in net assets without donor restrictions	(58,860)	(88,121)
Net assets without donor restrictions, beginning of year	1,004,265	1,092,386
Net assets without donor restrictions, end of year	\$ 945,405	\$ 1,004,265

The accompanying notes are an integral part of these financial statements.

NEW JERSEY TREE FOUNDATION, INC.**Statement of Functional Expenses****For the year ended June 30, 2023**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Payroll	\$ 334,242	\$ 60,843	\$ 395,085
Trees and plant materials	227,474	-	227,474
Travel	41,074	3,092	44,166
Pass-through grants	34,200	-	34,200
Payroll taxes	28,294	5,151	33,445
Trucks and trailers	32,594	-	32,594
Planting tools and supplies	27,001	-	27,001
Insurance	24,013	2,953	26,966
Landscaping	26,438	-	26,438
Outside services	18,320	-	18,320
Rent, storage facility - in kind	15,073	-	15,073
Shipping and freight	13,660	-	13,660
Professional fees	13,591	-	13,591
Depreciation	11,691	-	11,691
Investment expenses	5,424	-	5,424
Payroll processing	4,056	738	4,794
Educational materials	4,476	-	4,476
Printing	3,538	147	3,685
Telephone	2,909	-	2,909
Training	2,342	-	2,342
Office supplies	1,625	179	1,804
Food - for workshops and programs	1,690	-	1,690
Uniforms	1,550	-	1,550
Computer expenses	1,317	146	1,463
Web site	1,319	-	1,319
	<u>877,910</u>	<u>73,250</u>	<u>951,160</u>
Total expenses	<u>\$ 877,910</u>	<u>\$ 73,250</u>	<u>\$ 951,160</u>

The accompanying notes are an integral part of these financial statements.

NEW JERSEY TREE FOUNDATION, INC.**Statement of Functional Expenses****For the year ended June 30, 2022**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Payroll	\$ 290,055	\$ 52,800	\$ 342,855
Trees and plant materials	216,804	-	216,804
Travel	37,672	2,836	40,508
Insurance	29,468	3,624	33,092
Landscaping	30,893	-	30,893
Payroll taxes	22,704	4,133	26,837
Depreciation	11,691	-	11,691
Trucks and trailers	22,206	-	22,206
Planting tools and supplies	17,782	-	17,782
Pass-through grants	22,000	-	22,000
Professional fees	6,608	6,647	13,255
Rent, storage facility - in kind	12,000	-	12,000
Shipping and freight	11,990	-	11,990
Printing	6,702	279	6,981
Training	5,012	-	5,012
Payroll processing	3,627	660	4,287
Telephone	3,011	-	3,011
Educational materials	2,372	-	2,372
Landscaping - in-kind	2,310	-	2,310
Trees and plant materials - in-kind	2,310	-	2,310
Professional fees - in-kind	2,310	-	2,310
Office supplies	1,197	129	1,326
Outside services	1,210	-	1,210
Web site	1,055	-	1,055
Food - for workshops and programs	449	-	449
Computer expenses	377	42	419
Miscellaneous	183	-	183
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 763,998</u>	<u>\$ 71,150</u>	<u>\$ 835,148</u>

The accompanying notes are an integral part of these financial statements.

NEW JERSEY TREE FOUNDATION, INC.
Statements of Cash Flows
For the years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Reconciliation of change in net assets to net cash from operating activities:		
Change in net assets	\$ (58,860)	\$ (88,121)
Items which did not use/(provide) cash:		
Depreciation	11,691	11,691
Unrealized (gain)/loss on investment	2,931	14,055
Working capital changes which provided (used) cash:		
Grants receivable	40,694	(27,422)
Contracts receivable	34,668	(27,092)
Prepaid expenses	900	649
Accounts payable	3,116	4,004
Accrued payroll	(13,208)	1,664
Accrued expenses	718	1,500
Accrued vacation	11,918	10,552
Deferred revenue	(4,990)	17,297
Net cash flows from operating activities	29,578	(81,223)
Cash flows from investing activities:		
Purchases of investments	(250,849)	(80,332)
Sale of investments	219,941	138,999
Net cash flows from investing activities	(30,909)	58,667
Net change in cash and cash equivalents	(1,331)	(22,556)
Cash and cash equivalents, beginning of year	382,952	405,508
Cash and cash equivalents, end of year	\$ 381,621	\$ 382,952

The accompanying notes are an integral part of these financial statements.

NEW JERSEY TREE FOUNDATION, INC.
Notes to Financial Statements

NOTE 1: FOUNDATION AND PURPOSE

New Jersey Tree Foundation, Inc., (the “Foundation”), is a non-profit foundation that was founded to plant trees in urban areas where the need is greatest. The Foundation is dedicated to the enhancement and development of urban and community forestry activities in New Jersey through education, volunteerism, community outreach, partnerships, and grants. The Foundation is committed to providing exceptional forestry programs, services, and opportunities to New Jersey’s cities and towns. In pursuit of its foundational purpose, the Foundation operates a variety of programs to revitalize urban communities. Among these are projects to provide environmental education, train low-income individuals to acquire skills in horticultural occupations and assist residents in keeping their neighborhoods clean and green with local tree planting and landscaping projects.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor imposed (or certain grantor imposed) restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. As of June 30, 2023 and 2022, the Foundation did not have any net assets with donor restrictions.

Cash and cash equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Foundation maintains cash balances at several high quality financial institutions located in New Jersey. At times, the balance on deposit may exceed federally insured limits. The Foundation has not experienced any losses in such account and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

Contracts and Grants Receivable

Contracts receivable are primarily unsecured non-interest-bearing amounts due from customers for work performed. Grant receivables are carried at cost. On a periodic basis, management evaluates its receivables to determine if any portion is uncollectible. Management has determined that all open receivables are collectible and therefore no allowance account is deemed necessary.

NEW JERSEY TREE FOUNDATION, INC.
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Contributions

Contributions are classified based on the existence or absence of donor-imposed restrictions as either conditional or unconditional as follows:

Conditional – Includes all contributions with donor-imposed conditions or stipulations representing a barrier that must be overcome before the recipient is entitled to the assets being transferred or promised. A failure to overcome the barrier gives the contributor a right of return of the assets it has transferred or the ability to rescind an obligation to transfer.

Unconditional – Includes all contributions that do not contain a barrier to use and therefore are recorded as revenue once cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received.

Contribution revenue is recorded when the unconditional promise to give is received. Under this method, the recognition of support for financial statement purposes bears no relation to the period in which the expenses are incurred. Revenue related to conditional contributions is recognized once the relevant barriers are met. If funds are received from the donor before the relevant barriers are met, deferred revenue is recorded on the statement of financial position for the amount of funds provided by the donor.

Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. 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 are substantially met and the promises become unconditional.

Exchange Transactions

The Foundation recognizes earned revenues in accordance with Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers*, which provides a five-step model for recognizing revenue from contracts with customers as follows:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when or as performance obligations are satisfied

Service Revenue – The Foundation has contracts with governmental entities to provide its services. The Foundation recognizes revenue when services have been provided.

NEW JERSEY TREE FOUNDATION, INC.
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

In-Kind Contributions

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 receives services from volunteers, for which contribution income is not reflected in these consolidated financial statements as they do not meet the criteria for financial statement recognition.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost, except for donated items, which are recorded at their fair market values on the date of donation. Additions and major renewals considered to be betterments, costing \$5,000 or more, are capitalized. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	5 years
Trucks	5 years

Repairs and maintenance, which do not extend the useful lives of the related assets, are expensed as incurred.

Income Taxes

The Foundation is a non-profit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes.

The Foundation is required to file Form 990, *Return of Foundation Exempt from Income Tax*, with the Internal Revenue Service and the *New Jersey Charities Registration & Investigation Form (CRI)*. The Foundation follows the income tax standards for uncertain tax positions. The Foundation's income tax returns are subject to review and examination by federal and state authorities. The Foundation is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income taxes.

NEW JERSEY TREE FOUNDATION, INC.
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated consist of payroll, insurance, payroll taxes, computer expenses, travel, payroll processing, printing, and office supplies which are allocated on the basis of estimates of utilization.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents includes all cash balances and highly liquid investments with a maturity of three months or less. The Foundation places its temporary cash investments with high credit quality financial institutions. At times such investments may be in excess of the FDIC insurance limit.

Fair Value Measurement

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2023 and 2022.

NEW JERSEY TREE FOUNDATION, INC.
Notes to Financial Statements (continued)

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement (continued)

Registered investment companies – These are comprised of investments in mutual funds. Shares of mutual funds are valued at quoted market prices which represents the Net Asset Value (NAV) of shares held at year end.

Impact of Recently Issued Accounting Pronouncements

Recently Issued Pronouncements Adopted in the Current Year

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-02, Leases. The new ASU will require lessees to recognize for all leases (with terms of more than 12 months) at the commencement date the following a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The new lease guidance also simplified the accounting for sale and lease back transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. This standard is effective for nonpublic businesses for fiscal years beginning after December 15, 2021. Adoption of this standard did not result in the recognition of right-to-use assets and lease liabilities as of June 30, 2023, as the Foundation does not have material leases.

Subsequent Events

New Jersey Tree Foundation, Inc. has evaluated subsequent events occurring after June 30, 2023 through , which is the date the financial statements were available to be issued.

NOTE 3: CASH AND CASH EQUIVALENTS

The deposits held by the Foundation reported at fair value, consisted of demand deposits totaling \$381,621 and \$382,952 as of June 30, 2023 and 2022, respectively.

A. Custodial Credit Risk

Deposits in financial institutions, reported as components of cash and cash equivalents, had a bank balance of \$381,757 and \$380,773 as of June 30, 2023 and 2022, respectively. Of the bank balance, \$369,261 and \$380,773 was fully insured by the FDIC as of June 30, 2023 and 2022, respectively.

B. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash. As of June 30, 2023 and 2022, the Foundation's cash was held by TD Bank, Capital One, and Merrill Lynch.

NEW JERSEY TREE FOUNDATION, INC.
Notes to Financial Statements (continued)

NOTE 4: LIQUIDITY AND AVAILABILITY

The following represents the Foundation's financial assets as of June 30, 2023 and 2022, 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.

	<u>2023</u>	<u>2022</u>
Current financial assets:		
Cash and cash equivalents	\$ 381,621	\$ 382,952
Investments	673,526	645,548
Grants receivable	43,677	84,371
Contracts receivable	<u>24,727</u>	<u>59,395</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>\$1,123,551</u></u>	<u><u>\$1,172,266</u></u>

The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 365 days of normal operating expenses, which are, on average, approximately \$893,000.

NOTE 5: INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2023 and 2022:

	<i>Assets at Fair Value as of June 30, 2023</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies	\$ 673,526	\$ -	\$ -	\$ 673,526
Total investments at fair value	<u>\$ 673,526</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 673,526</u>
	<i>Assets at Fair Value as of June 30, 2022</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Registered investment companies	\$ 645,548	\$ -	\$ -	\$ 645,548
Total investments at fair value	<u>\$ 645,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 645,548</u>

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 63,440	\$ 63,440
Trucks	116,475	116,475
Subtotal	179,915	179,915
Less: accumulated depreciation	<u>(172,131)</u>	<u>(160,440)</u>
Property and equipment, net	<u><u>\$ 7,784</u></u>	<u><u>\$ 19,475</u></u>

NEW JERSEY TREE FOUNDATION, INC.
Notes to Financial Statements (continued)

NOTE 6: PROPERTY AND EQUIPMENT (continued)

Depreciation expense totaled \$11,691 and \$11,691 for the years ended June 30, 2023 and 2022, respectively.

NOTE 7: DEFERRED REVENUE

Significant changes in deferred revenue liability balances during the years ended June 30, 2023 and 2022 were as follows:

		2023		2022
Balance at beginning of year	\$	65,027	\$	47,730
Revenue recognized		(55,833)		(36,524)
Amounts collected		50,843		53,821
Balance at end of year	\$	60,037	\$	65,027

NOTE 8: IN-KIND CONTRIBUTIONS

The Foundation was the recipient of donated services and materials, which consisted of the following as of June 30, 2023 and 2022:

Donated Item	2023	2022	Usage	Restriction	Technique
Rent	\$ 12,000	\$ 12,000	Rental of two storage units	None	Estimated value provided by donor
Professional services	14,200	2,310	Management and general	None	Value of services provided using donor's typical service rate
Trees	-	2,310	Program services	None	Estimated value provided by donor
Landscaping	-	2,310	Program services	None	Value of services provided using donor's typical service rate
Food	925	-	Program services	None	Estimated value provided by donor
Total Donated Materials and Services	\$ 27,125	\$ 18,930			

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 receives services from volunteers, for which contribution income is not reflected in these consolidated financial statements as they do not meet the criteria for financial statement recognition.

NEW JERSEY TREE FOUNDATION, INC.
Notes to Financial Statements (continued)

NOTE 9: RETIREMENT PLAN

The Foundation participates in a defined contribution, individual account, money purchase, retirement plan that covers substantially all of its full-time employees. This plan is available for the benefit of all full-time employees of the Foundation who have completed one year of service to the Foundation.

Contributions are made through salary reductions. Participants are immediately vested in their contributions plus actual earnings on the participant's contributions. The plan does not provide for employer matching.

NOTE 10: CONCENTRATION OF RISK

For the year ended June 30, 2023, grants from governments, corporations, and foundations accounted for 62% of all revenue. Management believes that these grants will continue.

For the year ended June 30, 2022, grants from governments, corporations, and foundations accounted for 58% of all revenue. Management believes that these grants will not continue.

One supplier accounted for 60% and 27% of the Foundation's expenses for the years ended June 30, 2023 and 2022, respectively. Management believes that other suppliers could provide similar products on comparable terms.

The majority of the Foundation's contributions and grants are received from corporations, Foundations and individuals located in the greater New Jersey metropolitan area and from agencies of the state of New Jersey. As such, the Foundation's ability to generate resources via contributions and grants is dependent upon the economic health of that area and of the state of New Jersey.

NOTE 11: SOURCES AND TIMING OF REVENUE

The following table presents the Foundation's support and revenues disaggregated by geography, product lines, and timing of revenue recognition.

	<u>2023</u>	<u>2022</u>
<u>Geographic Markets</u>		
New Jersey	\$267,200	\$281,719
<u>Product Lines</u>		
Service revenue	<u>267,200</u>	<u>281,719</u>
Total exchange revenue	<u>\$267,200</u>	<u>\$281,719</u>
<u>Timing of Revenue Recognition</u>		
Products transferred over time	<u>\$267,200</u>	<u>\$281,719</u>
Total exchange revenue	<u>\$267,200</u>	<u>\$281,719</u>
Non-exchange revenue	\$587,841	\$536,553
Exchange revenue	<u>267,200</u>	<u>281,719</u>
Total support and revenues	<u>\$855,041</u>	<u>\$818,272</u>