

**Pinelands Preservation Alliance, Inc.**  
**Financial Statements**  
**Year Ended December 31, 2022 and 2021**

Pinelands Preservation Alliance, Inc.  
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Year Ended December 31, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Pinelands Preservation Alliance, Inc.  
Southampton, NJ 08088

### ***Opinion***

I have audited the accompanying financial statements of Pinelands Preservation Alliance, Inc. (the Alliance) (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Pinelands Preservation Alliance, Inc. as of December 31, 2022 and 2021, 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 of Opinion***

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Pinelands Preservation Alliance, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***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 the Alliance'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 Responsibility for the Audit of the Financial Statements***

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and,

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therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government Auditing Standards*, I:

- 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 the 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 Alliance'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

### ***Supplementary Information***

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for the purpose of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued a report dated November 13, 2023 on my consideration of the Alliance's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Alliance's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Alliance's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "James M. Wood, CPA". The signature is written in a cursive style.

Hillsborough, NJ  
November 13, 2023

**Pinelands Preservation Alliance, Inc.**  
**Statements of Financial Position**  
**December 31, 2022 and 2021**

		<u>2022</u>		<u>2021</u>
<b>Assets</b>				
Cash	\$	919,778	\$	1,411,280
Investment securities				
Pooled investments		1,785,286		4,007,807
Debt & equity securities		1,490,472		-
Money market funds		700,548		-
		<u>3,976,306</u>		<u>4,007,807</u>
Accounts receivable		1,549		23,908
Grants receivable		135,657		140,030
Prepaid insurance		59,849		21,554
Inventory		31,362		31,512
Property & equipment, net		<u>3,792,765</u>		<u>3,870,645</u>
<b>Total assets</b>	<b>\$</b>	<b><u>8,917,266</u></b>	<b>\$</b>	<b><u>9,506,736</u></b>
<b>Liabilities &amp; Net Assets</b>				
<b>Liabilities</b>				
Accounts payable & accrued expenses	\$	96,185	\$	122,347
Fees received in advance		145,815		103,815
Loans payable		19,002		279,323
Security deposits		255		20
<b>Total liabilities</b>		<u>261,257</u>		<u>505,505</u>
<b>Net Assets</b>				
Without donor restriction				
Undesignated		4,240,933		3,985,670
Designated		<u>2,894,927</u>		<u>3,476,361</u>
		7,135,860		7,462,031
With donor restriction		<u>1,520,149</u>		<u>1,539,200</u>
<b>Total net assets</b>		<u>8,656,009</u>		<u>9,001,231</u>
<b>Total liabilities &amp; net assets</b>	<b>\$</b>	<b><u>8,917,266</u></b>	<b>\$</b>	<b><u>9,506,736</u></b>

See accompanying notes to financial statements.

**Pinelands Preservation Alliance, Inc.**  
**Statements of Activities**  
**Years Ended December 31, 2022 and 2021**

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Grants & contributions						
Government grants	\$ -	\$ 394,743	\$ 394,743	\$ -	\$ 408,626	\$ 408,626
Paycheck Protection Program	251,875	-	251,875	210,800	-	210,800
Contributions						
Foundations	195,000	264,049	459,049	220,848	214,051	434,899
Corporations	12,300	-	12,300	23,790	-	23,790
Individuals	1,098,232	-	1,098,232	841,886	1,075	842,961
Bequests	11,259	-	11,259	74,733	-	74,733
Trustees	37,622	-	37,622	40,027	-	40,027
Special projects	18,500	-	18,500	34,195	-	34,195
Donated services	-	-	-	11,957	-	11,957
	<u>1,624,788</u>	<u>658,792</u>	<u>2,283,580</u>	<u>1,458,236</u>	<u>623,752</u>	<u>2,081,988</u>
Revenue						
Programs & events	28,771	-	28,771	16,402	-	16,402
Programs & events - Pinelands Adventures	210,654	-	210,654	251,178	-	251,178
Rentals	254,305	-	254,305	161,910	-	161,910
Merchandise sales, net of direct costs	20,117	-	20,117	21,444	-	21,444
Produce sales & shares	146,088	-	146,088	120,037	-	120,037
Investment income	(491,227)	-	(491,227)	364,170	-	364,170
Miscellaneous	-	-	-	23,519	-	23,519
	<u>168,708</u>	<u>-</u>	<u>168,708</u>	<u>958,660</u>	<u>-</u>	<u>958,660</u>
Net assets released from restriction	<u>677,843</u>	<u>(677,843)</u>	<u>-</u>	<u>590,701</u>	<u>(590,701)</u>	<u>-</u>
Total support & revenue	2,471,339	(19,051)	2,452,288	3,007,597	33,051	3,040,648
Functional Expenses						
Program Services						
Constituency Building, Science & Stewardship	1,638,381	-	1,638,381	1,721,584	-	1,721,584
Monitoring public agencies	523,534	-	523,534	330,717	-	330,717
	<u>2,161,915</u>	<u>-</u>	<u>2,161,915</u>	<u>2,052,301</u>	<u>-</u>	<u>2,052,301</u>
Supporting Services						
Management & general	312,957	-	312,957	218,364	-	218,364
Fund raising	322,638	-	322,638	230,885	-	230,885
	<u>635,595</u>	<u>-</u>	<u>635,595</u>	<u>449,249</u>	<u>-</u>	<u>449,249</u>
Total functional expenses	<u>2,797,510</u>	<u>-</u>	<u>2,797,510</u>	<u>2,501,550</u>	<u>-</u>	<u>2,501,550</u>
Increase (decrease) in net assets	(326,171)	(19,051)	(345,222)	506,047	33,051	539,098
Net assets						
Beginning of year	<u>7,462,031</u>	<u>1,539,200</u>	<u>9,001,231</u>	<u>6,955,984</u>	<u>1,506,149</u>	<u>8,462,133</u>
End of year	<u>\$ 7,135,860</u>	<u>\$ 1,520,149</u>	<u>\$ 8,656,009</u>	<u>\$ 7,462,031</u>	<u>\$ 1,539,200</u>	<u>\$ 9,001,231</u>

See accompanying notes to financial statements.

**Pinelands Preservation Alliance, Inc.**  
**Statements of Functional Expenses**  
**Years Ended December 31, 2022 and 2021**

	2022					2021				
	Program Services		Supporting Services			Program Services		Supporting Services		
	Constituency Building, Science & Stewardship	Public Advocacy	Management & General	Fund Raising	Total	Constituency Building, Science & Stewardship	Public Advocacy	Management & General	Fund Raising	Total
Payroll & fringe	\$ 864,455	\$ 320,159	\$ 224,110	\$ 192,095	\$ 1,600,819	\$ 886,806	\$ 163,157	\$ 149,190	\$ 124,037	\$ 1,323,190
Occupancy	139,024	29,864	20,905	17,918	207,711	118,418	21,879	20,007	16,633	176,937
Equipment & software	36,290	13,441	9,408	8,064	67,203	43,096	10,814	9,889	8,221	72,020
Telephone & internet	7,450	2,759	1,932	1,656	13,797	5,717	1,430	1,307	1,087	9,541
Professionals & consultants	11,457	46,546	12,853	1,830	72,686	55,129	75,981	5,328	10,252	146,690
Insurance	54,885	20,328	14,230	12,197	101,640	52,601	2,570	2,351	1,954	59,476
Dues & subscriptions	7,790	2,885	2,020	1,731	14,426	7,620	2,756	2,520	2,095	14,991
Office	19,247	7,128	4,990	4,277	35,642	14,441	3,157	2,887	2,400	22,885
Meetings & professional development	12,252	4,538	3,176	2,723	22,689	7,889	872	797	663	10,221
Travel	935	346	242	208	1,731	231	83	76	63	453
Educational programs & events	24,957	5,700	-	-	30,657	6,265	2,266	2,072	1,723	12,326
Publications & publicity	32,107	42,567	-	63,575	138,249	67,258	21,758	-	43,516	132,532
Special projects	323,281	-	-	-	323,281	289,665	-	-	-	289,665
Rancocas Creek Farm operations	30,040	-	-	-	30,040	80,886	-	-	-	80,886
Sales tax	-	-	-	-	-	19,220	-	-	-	19,220
Loss on sale of fixed assets	572	-	-	-	572	-	-	-	-	-
Depreciation	73,639	27,273	19,091	16,364	136,367	66,342	23,994	21,940	18,241	130,517
	<u>\$ 1,638,381</u>	<u>\$ 523,534</u>	<u>\$ 312,957</u>	<u>\$ 322,638</u>	<u>\$ 2,797,510</u>	<u>\$ 1,721,584</u>	<u>\$ 330,717</u>	<u>\$ 218,364</u>	<u>\$ 230,885</u>	<u>\$ 2,501,550</u>

See accompanying notes to financial statements.



Pinelands Preservation Alliance, Inc.  
 Statements of Cash Flows  
 Years Ended December 31, 2022 and 2021

	2022	2021
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ (345,222)	\$ 539,098
Adjustment to reconcile change in net assets to cash provided by operating activities:		
Depreciation	136,367	130,517
Unrealized (gains) losses on investments	663,361	(308,480)
Realized gains on investments	(123,242)	-
Small Business Administration loan recognized as income (Paycheck Protection Program)	(251,875)	(210,800)
Loss on sale of equipment	572	-
(Increase) decrease in:		
Accounts receivable	22,359	(23,908)
Grants receivable	4,373	(140,030)
Prepaid insurance	(38,295)	(21,554)
Inventory	150	(1,057)
Increase (decrease) in:		
Accounts payable & accrued expenses	(26,162)	66,421
Fees received in advance	42,000	103,815
Security deposits	235	(2,000)
Cash provided by operating activities	84,621	132,022
<b>Cash flows from investing activities</b>		
Acquisition of pooled investments	(44,149)	(49,844)
Acquisition of investments securities	(2,320,582)	-
Proceeds from sale investment securities	1,856,113	-
Acquisition of property & equipment	(59,859)	(187,958)
Proceeds from sale of equipment	800	-
Cash used in investing activities	(567,677)	(237,802)
<b>Cash flows from financing activities</b>		
Proceeds from loans payable	-	251,875
Repayment of loan payable	(8,446)	(8,445)
Cash provided by financing activities	(8,446)	243,430
Increase (decrease) in cash	(491,502)	137,650
Cash		
Beginning of period	1,411,280	1,273,630
End of period	\$ 919,778	\$ 1,411,280

See accompanying notes to financial statements.

**Pinelands Preservation Alliance, Inc.**  
**Notes To Financial Statements**  
**Year Ended December 31, 2022 and 2021**

**(1) Nature of Organization**

Pinelands Preservation Alliance, Inc. (the Alliance) is a New Jersey not-for-profit charitable organization established in 1989. The Alliance's primary purpose is to protect and preserve the resources of the New Jersey Pinelands by involving the public and educating them on the values of Pinelands resources and the issues involved in their preservation. Pursuant to this goal, the Alliance monitors public agency decisions and activities and provides public information concerning such activities for educational purposes.

The Alliance has two additional initiatives: *Pinelands Adventures*, an outdoor recreation program aimed at fostering public understanding of and devotion to the Pinelands, and *Rancocas Creek Farm*, a sustainable, chemical-free farm connected to its mission to protect the Pinelands.

**(2) Summary of Significant Accounting Policies**

*Basis of Presentation*

The Alliance's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets and the changes therein are classified and reported as follows:

Without donor restriction - Net assets that are not subject to donor imposed restrictions or law.

With donor restriction - Net assets subject to donor imposed restrictions or law wherein (a) the restriction will be met by actions of the Alliance and/or the passage of time or (b) the principal will be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restriction, when received, unless their use is limited by explicit donor imposed restrictions or by law. Expenses are reported as decreases in net assets.

*Accounting estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Reclassification*

Certain information in the 2021 financial statements has been reclassified to conform with current year presentation.

*Cash*

For the purposes of the statement of cash flows, all demand deposit accounts in financial institutions are classified as cash.

*Investment securities*

Investment securities are carried at fair value. Investment income is reported as without donor restrictions or with donor restrictions depending on the nature of donor-imposed restrictions.

*Property and equipment*

Property and equipment are stated at cost, less accumulated depreciation. Expenditures for maintenance and repairs are charged directly to expense; major replacements and betterments are capitalized and depreciated over the estimated useful life of the assets using the straight line method of depreciation.

**Pinelands Preservation Alliance, Inc.**  
**Notes To Financial Statements**  
**Year Ended December 31, 2022 and 2021**

*Inventory*

The Alliance sells educational materials and supplies related to its programming. The inventory is carried at the lower of cost or net realizable value.

*Contributions*

Contributions are recorded as revenue when pledged. Contributions are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor-imposed conditions.

*Program Service Fees*

Fees for services are recognized as income when the related services are rendered, and the performance obligations are complete.

*Functional expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis. Expenses are charged to each program based on direct expenditures incurred. Management and fund raising expenses are charged as supporting services. Indirect costs are allocated to functions based on employee hours, occupancy square footage, or other applicable bases of allocation.

*Fair value of financial instruments*

Financial instruments are carried at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining fair value, the Alliance uses various valuation approaches based on a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are readily available market data provided by independent sources and widely accepted by market participants to price assets and liabilities. Unobservable inputs are those that apply to funds and the underlying assets/liabilities that do not trade regularly in the open market, such as real estate funds, private equity funds, and hedge funds. Absent an active market for these investments, pricing inputs require that valuation estimates be based on the best information available in the circumstances, using informed judgment and experience. The valuation hierarchy is broken down into three levels based on the observability of inputs, as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets. Valuation adjustments and block discounts are not applied to Level 1 instruments. Because valuations are based on quoted prices that are readily and regularly available in the active market, valuation of these products does not entail subjective judgement.

**Pinelands Preservation Alliance, Inc.**  
**Notes To Financial Statements**  
**Year Ended December 31, 2022 and 2021**

Level 2 - Valuations based on one or more quoted price for investments that are not exchange-traded, but for which all significant inputs are observable, either directly or indirectly, and for which transaction activity is unrestricted and occurs on a regular basis (e.g. individual fixed income securities as well as commingled stock and bond funds).

Level 3 - Valuations based on (a) inputs that are unobservable and significant to the overall fair value measurements, as is the case in all funds invested in real estate or private equity, and in some hedge funds; and/or (b) inputs that are observable but apply to assets in commingled vehicles from which the Alliance cannot fully redeem within 30 days.

The availability of observable inputs can vary from asset to asset. It is affected by a wide variety of factors, including, but not limited to: the type of instrument, whether it is new and not yet established in the marketplace, the liquidity of markets, other characteristics particular to the investment. To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires some degree of judgment. In determining fair value, investments are categorized as Level 3 if judgement is applied to the valuation process, and/or the Alliance could not fully redeem the investment within 30 days of the Alliance's measurement date.

In certain cases, the inputs used to measure the fair value of an investment entity may fall into different levels of the fair value hierarchy. In such cases, the entire investment has been assigned to the lowest significant level applicable to the valuation of such investments.

The Alliance's financial statements use prices and inputs that were current as of the measurement date. Following is a description of the valuation techniques used for Level 1, 2 and 3 assets measured at fair value on dates of the statements of financial position.

**Pooled investments** - Withdrawals may be made based on the ownership interest shares times the per share market value of the pool at each valuation date and are not subject to any significant withdrawal limitations. Pooled investments are classified as Level 2.

**Money market funds** - Investments in money market funds are classified as Level 1 due to their short term nature.

**Equity securities** - Investments in equity securities are measured at fair value using the quoted market price and are classified as Level 1.

**Bonds** - Investments in corporate and US Agency bonds are classified as Level 2; while highly liquid and readily priced, they are traded over-the-counter

*Concentrations of credit and market risk*

Financial instruments that potentially expose the Alliance to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash and cash equivalents are maintained at high quality financial institutions and credit exposure is limited to any one institution. The Alliance has not experienced any losses on its cash and cash equivalents. The Alliance's investments are generally diversified within each pooled investment.

**Pinelands Preservation Alliance, Inc.**  
**Notes To Financial Statements**  
**Year Ended December 31, 2022 and 2021**

*Income taxes*

The Alliance qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for income taxes. All applicable returns for the exempt organization are filed in a timely manner. The Alliance is liable for payment of payroll tax as an employer; all such amounts are paid in a timely manner as required by state and federal regulations.

It is the Alliance's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable and to disclose contingencies relating to uncertain tax positions when a liability is not probable or estimable. Management is not aware of any violation of tax status or exposure to uncertain tax positions that could require disclosure or which could affect its liquidity or future cash flows. The Alliance's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended September 30, 2019 through 2022 are subject to examination by the IRS, generally for three years after they were filed; its New Jersey Charities Registration, Form CRI-300R, are also subject to examination for those same periods.

*Adoption of New Accounting Standards*

Pinelands Preservation Alliance adopted Financial Accounting Standards Update (ASU) No. 2016-20, *Leases*, on January 1, 2022. Under this guidance, lessees recognize a right of use asset and a lease liability on the statement of financial position for all leases with a term longer than 12 months. The adoption of ASU No. 2016-20 had no effect on the Alliance.

Pinelands Preservation Alliance adopted ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, on January 1, 2022. This ASU requires organizations to present contributed nonfinancial assets as a separate line item in the statements of activities apart from contributions of cash or other financial assets. Additional disclosure is required regarding the valuation techniques used, as well as any donor restrictions.

**(3) Investments Securities**

As of December 31, 2022 and 2021, investments securities consist of the following:

	<u>Fair Value</u>	<u>Cost Basis</u>
<u>December 31, 2022</u>		
Pooled Investments		
Community Foundation of New Jersey	\$1,785,286	\$1,705,393
Equity Securities	916,846	1,059,118
Corporate bonds	281,858	306,985
US Agency bonds	291,768	290,292
Money market funds	<u>700,548</u>	<u>700,548</u>
	<u>\$3,976,306</u>	<u>\$4,062,336</u>
<u>December 31, 2021</u>		
Pooled investments		
Community Foundation of New Jersey	\$2,026,338	\$1,948,074
Princeton Area Community Foundation	<u>1,981,469</u>	<u>1,700,890</u>
	<u>\$4,007,807</u>	<u>\$3,648,964</u>

**Pinelands Preservation Alliance, Inc.**  
**Notes To Financial Statements**  
**Year Ended December 31, 2022 and 2021**

Investment income on investments is comprised of the following for the year ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Interest & dividends	\$ 69,426	\$ 87,894
Investment gains (losses)	(540,119)	308,480
Investment fees	<u>( 20,534)</u>	<u>( 32,204)</u>
	<u>\$ (491,227)</u>	<u>\$ 364,170</u>

**(4) Recurring Fair Value Measurements**

The following table summarizes financial instruments which are recorded at fair value on a recurring basis as of December 31, 2022 and 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>December 31, 2022</u>				
Pooled investments	\$ -	\$1,785,286	\$ -	\$1,785,286
Equity securities	916,846	-	-	916,846
Corporate bonds	-	281,858	-	281,858
US Agency bonds	-	291,768	-	291,768
Money market funds	<u>700,548</u>	<u>-</u>	<u>-</u>	<u>700,548</u>
	<u>\$1,617,394</u>	<u>\$2,358,912</u>	<u>\$ -</u>	<u>\$3,976,306</u>
<u>December 31, 2021</u>				
Pooled investments	<u>\$ -</u>	<u>\$4,007,807</u>	<u>\$ -</u>	<u>\$4,007,807</u>

**(5) Property and Equipment**

As of December 31, 2022 and 2021, property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 873,412	\$ 873,412
Buildings & improvements	3,326,825	3,276,279
Furniture & equipment	<u>331,346</u>	<u>328,001</u>
	4,531,583	4,477,692
Less accumulated depreciation	<u>738,818</u>	<u>607,047</u>
	<u>\$3,792,765</u>	<u>\$3,870,645</u>

**(6) Loans Payable**

Paycheck Protection Program

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which spread throughout the United States. In response to the pandemic, the United States Congress passed the Coronavirus Aid, Relief and Economic Security Act (CARES) which provides direct economic assistance and loans to business entities. In April 2020, the Alliance received a loan of \$210,800 under the Paycheck Protection Program (PPP) which is a component of the CARES Act. During the year ended December 31, 2021, the Alliance met the forgiveness criteria for the full amount of the loan and the balance of \$210,800 was recognized as income.

In February 2021, the Alliance received a loan of \$251,875 under the Paycheck Protection Program (PPP) which is a component of the CARES Act. During the year ended December 31, 2022, the Alliance met the forgiveness criteria for the full amount of the loan; \$251,875 was recognized as income.

**Pinelands Preservation Alliance, Inc.**  
**Notes To Financial Statements**  
**Year Ended December 31, 2022 and 2021**

Kubota Credit Corporation

The Alliance has a loan for the acquisition of a tractor. Future principal commitments are as follows for years ending December 31:

2023	\$ 8,445
2024	8,445
2025	<u>2,112</u>
	<u>\$19,002</u>

**(7) Retirement Plan**

The Alliance sponsors a 403(b) retirement plan. Employees are eligible to receive employer contributions after completing an initial 1,000 hours of service and are fully vested in employer contributions after 6 years of service. Employer contributions match employee elective deferrals up to \$6,000 per employee per year. The Alliance's contributions to the plan totaled \$28,647 and \$29,854 for the year ended December 31, 2022 and 2021, respectively.

**(8) Net Assets**

As of December 31, 2022 and 2021, net assets with donor restrictions are as follows:

	<u>2022</u>	<u>2021</u>
Specified purpose		
Delaware River Watershed Initiative	\$ 15,000	\$ 16,502
Stormwater management	8,000	14,549
Grassroots education, outreach, and engagement program	5,000	20,000
Habitat management and outplanting of American chafseed	4,000	-
Land acquisition	<u>1,454,836</u>	<u>1,454,836</u>
	1,486,836	1,505,887
Restricted in perpetuity		
Land	<u>33,313</u>	<u>33,313</u>
	<u>\$1,520,149</u>	<u>\$1,539,200</u>

Net assets were released from donor restrictions by incurring expenses and 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Delaware River Watershed Initiative	\$181,502	\$180,000
Stormwater management	21,098	-
Legal defense fund	-	2,075
Grassroots education outreach and engagement program	40,000	-
Other specified use	<u>435,243</u>	<u>408,626</u>
	<u>\$677,843</u>	<u>\$590,701</u>

**Pinelands Preservation Alliance, Inc.**  
**Notes To Financial Statements**  
**Year Ended December 31, 2022 and 2021**

**(9) Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position, are comprised of the following as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash	\$ 919,778	\$1,411,280
Pooled investments	1,785,286	4,007,807
Debt & equity securities	1,490,472	-
Money market funds	700,548	-
Accounts receivable	1,549	23,908
Grants receivable	<u>135,657</u>	<u>140,030</u>
Total financial assets	5,033,290	5,583,025
Less:		
Board-designated endowment	2,894,927	3,476,361
Net assets with donor restriction	<u>1,520,149</u>	<u>1,539,200</u>
Financial assets available for general expenditure	<u>\$ 618,214</u>	<u>\$ 567,464</u>

Cash balances in excess of current operating requirements are placed in interest-bearing demand deposits.

**(10) Risks and Uncertainties**

The COVID-19 pandemic has created, and may continue to create, significant uncertainty in the United States and global economies which, in addition to other unforeseen effects of the pandemic, may adversely impact the Alliance's operation.

**(11) Subsequent Events**

The Alliance has evaluated the need for adjustments resulting from subsequent events through November 13, 2023, the date the financial statements were available to be issued. Based upon this evaluation, adjustments or additional disclosures were required to the financial statements as of as of December 31, 2022.



**Pinelans Preservation Alliance, Inc.**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended December 31, 1022**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Additional Award Identification</u>	<u>Federal Expenditures</u>
US Department of Interior			
National Fish & Wildlife Foundation			
Addressing Flooding & Stormwater in Burlington County, NJ	15.153	1302.20.068048	\$ 116,561
US Fish & Wildlife Service			
Habitat Management and Outplanting of Schwalbea Americana	15.657	F19AC00852	8,000
Seabeach Amaranth Conservation Through Plant Protection Strips	15.657	F20ap10429-00	18,000
			<u>26,000</u>
Total Federal expenditures			\$ <u>142,561</u>
State of New Jersey			
Department of State - Division of Tourism			
Cooperative Marketing			\$ 4,750
Department of Human Services - Division of Disability Services			
Inclusive Healthy Communities			<u>92,250</u>
Total New Jersey expenditures			\$ <u>97,000</u>

**Pinelands Preservation Alliance**  
**Notes to Schedule of Expenditures of Federal and State Awards**  
**Year Ended December 31, 2022**

**(1) Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards include the federal and state awards of the Pinelands Preservation Alliance (the Alliance) includes the government grant activity of the Alliance and is presented on the accrual basis of accounting. The information is presented in accordance with *Government Auditing Standards*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Because the Schedule presents only a selected portion of the operations of the Alliance, it is not intended to and does not present the financial position, change in net assets or cash flows of the Alliance.

**(2) Summary of Significant Accountant Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting.

**(3) Noncash Assistance**

The Alliance did not receive any federal noncash assistance for the year ended December 31, 2022.



**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees  
Pinelands Preservation Alliance, Inc.  
Southampton, NJ 08088

I have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Pinelands Preservation Alliance, Inc. (the Alliance) as of and for the year ended December 31, 2022 and the related notes to the financial statements and have issued my report thereon dated November 13, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Alliance's internal control over financial reporting (internal control) as a basis for designing the auditing procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, I do not express an opinion on the effectiveness of the Alliance's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the organization's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Alliance's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James M. Wood, CPA

November 13, 2023  
Hillsborough, NJ