



**NEW JERSEY  
AUDUBON**  
[www.njaudubon.org](http://www.njaudubon.org)

**New Jersey Audubon Society  
Financial Statements  
August 31, 2025 and 2024  
With Independent Auditor's Reports**

**New Jersey Audubon Society**  
**Table of Contents**  
**August 31, 2025 and 2024**

Independent Auditor's Report . . . . . 1

Statements of Financial Position . . . . . 3

Statements of Activities and Changes in Net Assets . . . . . 4

Statements of Functional Expenses . . . . . 6

Statements of Cash Flows . . . . . 8

Notes to Financial Statements . . . . . 9

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 . . . . . 23

## Independent Auditor's Report

To the Board of Directors of  
New Jersey Audubon Society:

### Opinion

We have audited the financial statements of New Jersey Audubon Society (the "Society"), which comprise the statements of financial position as of August 31, 2025 and 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New Jersey Audubon Society as of August 31, 2025 and 2024, 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 audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("Government Auditing Standards"). 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 Audubon Society 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 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 Society's ability to continue as a going concern within one year after the date 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 GAAS 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 GAAS and *Government 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 the Society'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 the Society'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2026 on our consideration of New Jersey Audubon Society's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our 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 New Jersey Audubon Society'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 New Jersey Audubon Society's internal control over financial reporting and compliance.



February 25, 2026

**New Jersey Audubon Society**  
**Statements of Financial Position**  
**August 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,993,190	\$ 2,443,171
Grants receivable	649,192	592,048
Accounts receivable	21,261	26,687
Contract assets	165,712	117,521
Promises to give receivable	599,988	685,511
Prepaid expenses and other current assets	52,983	64,954
Merchandise inventory	517,363	464,377
<b>Total current assets</b>	<u>3,999,689</u>	<u>4,394,269</u>
<b>Noncurrent assets</b>		
Investments	13,185,430	12,642,283
Promises to give receivable, net	236,170	503,091
Beneficial interest in funds held by others	803,421	724,498
Cash surrender value, life insurance	317,034	308,330
Property and equipment, net	4,068,619	3,115,282
Land held in perpetuity	15,527,029	15,527,029
<b>Total noncurrent assets</b>	<u>34,137,703</u>	<u>32,820,513</u>
<b>Total assets</b>	<u>\$ 38,137,392</u>	<u>\$ 37,214,782</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 579,315	\$ 439,028
Refundable advances	188,865	809,264
Contract liabilities	145,705	192,314
<b>Total current liabilities</b>	<u>913,885</u>	<u>1,440,606</u>
<b>Net assets</b>		
Without donor restrictions	9,772,592	8,150,893
With donor restrictions	27,450,915	27,623,283
<b>Total net assets</b>	<u>37,223,507</u>	<u>35,774,176</u>
<b>Total liabilities and net assets</b>	<u>\$ 38,137,392</u>	<u>\$ 37,214,782</u>

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

**New Jersey Audubon Society**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended August 31, 2025 and 2024**

	2025			2024		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restrictions	Total
<b>Support and revenues</b>						
Sale of merchandise	\$ 1,021,894	\$ -	\$ 1,021,894	\$ 987,511	\$ -	\$ 987,511
Less: Cost of goods sold	(757,031)	-	(757,031)	(734,258)	-	(734,258)
<b>Net sales of merchandise</b>	<b>264,863</b>	<b>-</b>	<b>264,863</b>	<b>253,253</b>	<b>-</b>	<b>253,253</b>
<b>Contributions of cash and other financial assets</b>						
General contributions	1,318,944	1,252,273	2,571,217	1,386,375	710,870	2,097,245
Bequests	748,946	-	748,946	470,127	-	470,127
Memberships	430,279	-	430,279	435,290	-	435,290
Grants	2,097,566	-	2,097,566	1,938,491	-	1,938,491
Contributions of nonfinancial assets	11,770	-	11,770	113,931	-	113,931
Special events income	273,934	-	273,934	241,837	-	241,837
Less: Special events expense	(101,181)	-	(101,181)	(119,022)	-	(119,022)
<b>Special events revenue, net</b>	<b>172,753</b>	<b>-</b>	<b>172,753</b>	<b>122,815</b>	<b>-</b>	<b>122,815</b>
Contract revenue	1,154,545	-	1,154,545	987,618	-	987,618
Change in value of fund held by others	-	55,888	55,888	-	117,887	117,887
Change in value of cash surrender value, life insurance	(11,296)	-	(11,296)	(8,330)	-	(8,330)
Investment return, net	1,221,341	-	1,221,341	1,702,189	149,117	1,851,306
	7,409,711	1,308,161	8,717,872	7,401,759	977,874	8,379,633
Net assets released from restriction	1,480,529	(1,480,529)	-	2,348,020	(2,348,020)	-
<b>Total support and revenues</b>	<b>8,890,240</b>	<b>(172,368)</b>	<b>8,717,872</b>	<b>9,749,779</b>	<b>(1,370,146)</b>	<b>8,379,633</b>

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

**New Jersey Audubon Society**  
**Statements of Activities and Changes in Net Assets**  
**Years Ended August 31, 2025 and 2024**

	2025			2024		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restrictions	Total
<b>Expenses</b>						
<b>Program services</b>						
Education and sanctuaries	2,962,951	-	2,962,951	4,475,256	-	4,475,256
Stewardship	1,588,702	-	1,588,702	1,424,545	-	1,424,545
Research	991,503	-	991,503	874,768	-	874,768
<b>Total program services</b>	5,543,156	-	5,543,156	6,774,569	-	6,774,569
<b>Supporting services</b>						
Management and general	617,461	-	617,461	880,662	-	880,662
Development	1,107,924	-	1,107,924	1,146,093	-	1,146,093
<b>Total support services</b>	1,725,385	-	1,725,385	2,026,755	-	2,026,755
<b>Total expenses</b>	7,268,541	-	7,268,541	8,801,324	-	8,801,324
<b>Changes in net assets</b>	1,621,699	(172,368)	1,449,331	948,455	(1,370,146)	(421,691)
<b>Net assets</b>						
Beginning of year	8,150,893	27,623,283	35,774,176	7,202,438	28,993,429	36,195,867
<b>End of year</b>	\$ 9,772,592	\$ 27,450,915	\$ 37,223,507	\$ 8,150,893	\$ 27,623,283	\$ 35,774,176

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

**New Jersey Audubon Society  
Statement of Functional Expenses  
Year Ended August 31, 2025**

	Program Services				Supporting Services		
	Education and Sanctuaries	Stewardship	Research	Total Program Services	Management and General	Development	Total
Salaries	\$ 1,199,329	\$ 654,488	\$ 315,821	\$ 2,169,638	\$ 228,682	\$ 574,561	\$ 2,972,881
Fringe benefits	276,210	195,296	101,062	572,568	44,190	178,086	794,844
Supplies	72,140	19,446	3,707	95,293	22,080	3,114	120,487
Insurance	45,619	27,588	2,109	75,316	21,948	3,236	100,500
Telephone	28,608	1,836	-	30,444	4,059	560	35,063
Printing	69,603	22,566	6,941	99,110	339	93,153	192,602
Postage	19,711	6,880	2,149	28,740	218	56,104	85,062
Advertising	33,044	5,817	1,770	40,631	-	885	41,516
Equipment	28,063	1,604	23,989	53,656	692	902	55,250
Occupancy	100,503	11,805	46,925	159,233	5,829	-	165,062
Travel	52,255	21,843	52,022	126,120	2,069	3,082	131,271
Merchandise	757,031	-	-	757,031	-	-	757,031
Professional fees and contracts	626,615	562,649	433,893	1,623,157	239,134	185,518	2,047,809
Conferences, conventions, and meetings	144,440	12,377	950	157,767	1,019	8,723	167,509
Repairs and maintenance	92,578	18,169	165	110,912	9,908	-	120,820
Direct costs of special events	-	-	-	-	-	101,181	101,181
Depreciation	174,233	26,338	-	200,571	2,026	-	202,597
Bad debt expense	-	-	-	-	35,268	-	35,268
	3,719,982	1,588,702	991,503	6,300,187	617,461	1,209,105	8,126,753
Less: Direct costs of special events netted with revenue	-	-	-	-	-	(101,181)	(101,181)
Less: Cost of goods sold netted with revenue	(757,031)	-	-	(757,031)	-	-	(757,031)
	\$ 2,962,951	\$ 1,588,702	\$ 991,503	\$ 5,543,156	\$ 617,461	\$ 1,107,924	\$ 7,268,541

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

**New Jersey Audubon Society  
Statement of Functional Expenses  
Year Ended August 31, 2024**

	Program Services			Supporting Services			Total
	Education and Sanctuaries	Stewardship	Research	Total Program Services	Management and General	Development	
Salaries	\$ 1,331,879	\$ 623,746	\$ 342,921	\$ 2,298,546	\$ 454,454	\$ 615,393	\$ 3,368,393
Fringe benefits	307,312	202,247	96,685	606,244	81,497	185,510	873,251
Supplies	55,518	27,716	11,202	94,436	4,632	1,948	101,016
Insurance	62,330	37,283	2,797	102,410	14,045	4,363	120,818
Telephone	26,622	1,487	191	28,300	9,111	1,269	38,680
Printing	59,813	19,761	6,373	85,947	751	94,584	181,282
Postage	16,286	3,478	997	20,761	7,485	64,672	92,918
Advertising	26,126	-	110	26,236	-	-	26,236
Equipment	13,018	2,924	17,025	32,967	808	2,055	35,830
Occupancy	96,761	21,311	16,501	134,573	7,631	310	142,514
Travel	69,973	17,444	43,014	130,431	4,014	3,061	137,506
Merchandise	734,258	-	-	734,258	-	-	734,258
Professional fees and contracts	388,990	415,014	319,190	1,123,194	262,740	172,634	1,558,568
Conferences, conventions, and meetings	194,413	18,328	17,762	230,503	1,347	-	231,850
Repairs and maintenance	90,770	9,835	-	100,605	22,053	294	122,952
Direct costs of special events	-	-	-	-	-	119,022	119,022
Grant of nonfinancial asset	1,576,867	-	-	1,576,867	-	-	1,576,867
Depreciation	158,578	23,971	-	182,549	1,844	-	184,393
Bad debt expense	-	-	-	-	8,250	-	8,250
	5,209,514	1,424,545	874,768	7,508,827	880,662	1,265,115	9,654,604
Less: Direct costs of special events netted with revenue	-	-	-	-	-	(119,022)	(119,022)
Less: Cost of goods sold netted with revenue	(734,258)	-	-	(734,258)	-	-	(734,258)
	\$ 4,475,256	\$ 1,424,545	\$ 874,768	\$ 6,774,569	\$ 880,662	\$ 1,146,093	\$ 8,801,324

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

**New Jersey Audubon Society**  
**Statements of Cash Flows**  
**Years Ended August 31, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Operating activities</b>		
Changes in net assets	\$ 1,449,331	\$ (421,691)
<b>Adjustments to reconcile changes in net assets to net cash provided by operating activities</b>		
Depreciation	202,597	184,393
Grant of nonfinancial asset	-	1,526,867
Contribution of beneficial interest in funds held by others	(23,035)	-
Change in beneficial interest in funds held by others	(55,888)	(117,887)
Cash surrender value, life insurance	11,296	8,330
Unrealized gain on investments	(215,472)	(1,187,179)
Realized gain on investments	(590,471)	(209,162)
Bad debt expense	35,268	8,250
Adjustment to present value for contributions and grants	(22,203)	(33,899)
<b>Changes in assets and liabilities</b>		
Grants receivable	(57,144)	(53,958)
Accounts receivable	(29,842)	37,177
Contract assets	(48,191)	(70,690)
Promises to give receivable	374,647	330,545
Prepaid expenses and other current assets	11,971	(7,339)
Merchandise inventory	(52,986)	(4,684)
Accounts payable and accrued expenses	140,287	(81,820)
Refundable advances	(620,399)	64,534
Contract liabilities	(46,609)	84,564
<b>Net cash provided by operating activities</b>	<u>463,157</u>	<u>56,351</u>
<b>Investing activities</b>		
Purchase of property and equipment	(1,155,934)	(124,677)
Life insurance policy premiums paid	(20,000)	(20,000)
Purchase of investments	(1,102,259)	(406,826)
Proceeds from sale of investments	1,365,055	496,367
<b>Net cash used in investing activities</b>	<u>(913,138)</u>	<u>(55,136)</u>
<b>Net change in cash and cash equivalents</b>	(449,981)	1,215
<b>Cash and cash equivalents</b>		
Beginning of year	2,443,171	2,441,956
<b>End of year</b>	<u>\$ 1,993,190</u>	<u>\$ 2,443,171</u>

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

# New Jersey Audubon Society

## Notes to Financial Statements

### August 31, 2025 and 2024

#### 1. The Society and Purpose

New Jersey Audubon Society (“New Jersey Audubon,” “NJAS,” or “the Society”), founded in 1897, is a New Jersey not-for-profit corporation incorporated in 1937. NJAS envisions a future where people and nature thrive together with a mission to inspire and empower people to care for nature throughout New Jersey and beyond. NJAS’s conservation programs are focused on recovering wildlife, stewarding habitat, and connecting people to nature through action and education. NJAS implements strategies that grow inclusive communities of nature supporters and encourages model habits for wildlife and native species through science, observations, and education.

#### 2. Summary of Significant Accounting Policies

##### a. Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). As such, financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. The Society has recorded accounting transactions in two net asset categories as follows:

**Net Assets Without Donor Restrictions:** Net assets that include expendable resources that are used to carry out the Society’s operations and are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by the Society or may be limited by contractual agreements with outside parties. Board designated net assets are included as net assets without donor restrictions and consist of a board-designated endowment fund (see Note 11).

**Net Assets With Donor Restrictions:** Net assets subject to donor imposed restrictions that will be fulfilled by the passage of time or actions of the Society. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without donor restrictions and are allocated to functional categories depending upon the ultimate purpose of the expenditure. Releases of net assets with donor restrictions which include either the satisfaction of a donor requirement or the passage of time are reported as net assets released from restrictions in the statements of activities and changes in net assets. Donor restricted contributions whose restrictions are satisfied in the same fiscal year in which they are received are reported as increases in net assets without donor restrictions.

##### b. Cash and Cash Equivalents

The Society considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At August 31, 2025 and 2024, cash equivalents consisted primarily of money market accounts and certificates of deposit.

##### c. Investments

Investments in equity securities with readily determinable values and all investments in debt securities are measured at fair value in the statements of financial position. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements 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.

##### d. Fair Value Measurements

The Society measures certain financial instruments at fair value on a recurring basis at each reporting period. Certain assets are measured at fair value on a nonrecurring basis annually or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Fair value is estimated as the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

Fair value estimates involve uncertainty and significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially when quoted prices are unavailable. Changes in assumptions or market conditions could significantly affect these estimates.

*Fair Value Hierarchy*

Assets and liabilities recorded at fair value are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of valuation inputs:

*Level 1* - Fair value measurements based on quoted prices (unadjusted) in active markets that the has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Society does not adjust the quoted price for such instruments.

*Level 2* - Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

*Level 3* - Fair value measurements based on valuation techniques that use significant unobservable inputs. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Therefore, the Society must make certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

The Society maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Financial instruments with quoted prices in active markets generally have more pricing observability and require less judgment in measuring fair value. Conversely, financial instruments for which no quoted prices are available have less observability and are measured at fair value using valuation models or other pricing techniques that require more judgment. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction, liquidity and general market conditions.

In certain cases, the inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The following is a description of the valuation methodologies used for assets measured at fair value:

*Mutual Funds*

Valued at the daily closing price as reported by the fund. Mutual funds held by the Society are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Society are deemed to be actively traded.

*Beneficial Interest in Funds Held by Others*

Valued at the fair market value of the underlying trust assets as determined by the third-party trustee. Due to the significant unobservable inputs required to estimate the fair value of underlying assets, the Society's beneficial interest in funds held by others is classified as Level 3 in the hierarchy

*Cash Surrender Value of Life Insurance*

The Society is the beneficiary of a life insurance policy. The policy is recorded at its estimated cash surrender value, as determined by the issuing insurance company. This policy is recorded at its cash surrender value, which represents the amount that could be realized as of the reporting date. Changes in cash surrender value during the year are recorded as support and revenues within the statement of activities and change in net assets.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

**e. Merchandise Inventory**

Inventory, consisting entirely of merchandise purchased for resale, is valued at the lower of cost or net realizable value. Costs are determined on a first-in, first-out basis.

**f. Beneficial Interest in Funds Held by Others**

Beneficial interest in funds held by others consist of charitable remainder annuity trusts and charitable gift annuities. Assets held under these arrangements are reported at fair value in the statements of financial position. Contribution revenue is recognized at the date of the trust or the annuity contract are established.

The fair value of the trust at August 31, 2025 and 2024 was \$734,903 and \$679,015, respectively. The fair value of the annuities at August 31, 2025 and 2024 was \$68,518 and \$45,483, respectively. The change in value of the beneficial interest in funds held by others in the amount of \$55,888 and \$117,887 for the years ended August 31, 2025 and 2024, respectively, has been reflected in the statements of activities and changes in net assets.

**g. Property and Equipment and Restricted Land**

Buildings, improvements and land without donor restrictions are recorded at cost, except for donated items which are recorded at fair value based on the assessed value at the date of donation. Buildings located on permanently restricted land sites have been recorded as net assets with donor restrictions by the Society and will be depreciated over their useful lives of the assets using the straight-line method.

Furniture and equipment are recorded at cost, except for donated items which are recorded at the fair market value on the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

The principal rates for computing depreciation by major asset category are as follows:

	<b>Estimated Life (Years)</b>
Buildings and improvements	5-40
Furniture and equipment	3-5

Certain parcels of land have been received from donors with restrictions requiring that the land be maintained in perpetuity as wildlife sanctuaries. In accordance with donor stipulations, the Society is required to preserve and protect these properties and is not permitted to sell, transfer, or otherwise dispose of the land. As such, the land is recorded as a nondepreciable asset and is reported within net assets with donor restrictions.

**h. Valuation of Long-Lived Assets**

In accordance with the provisions of the accounting pronouncement on accounting for the impairment or disposal of long-lived assets, the Society 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 assessment was required for the periods presented in these financial statements.

**i. Revenue and Support Recognition**

*Contributions and Promises to Give*

The Society recognizes grants and contributions, including bequests, as revenue when they are received or unconditionally pledged and records these revenues as without donor restriction or with donor restriction according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Membership dues are deemed to be contributions based upon the limited member benefits received.

**New Jersey Audubon Society**  
**Notes to Financial Statements**  
**August 31, 2025 and 2024**

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows using a risk free rate of return. Conditional promises to give, which include those with a barrier or other measurable performance requirement and a right of return or release, are not recognized as revenue until the conditions on which they depend have been substantially met. Payments received in advance of conditions being met are recorded as refundable advances on the statements of financial position. As of the reporting date, the Society expects to recognize approximately \$1,423,000 in future periods once the specified conditions are satisfied. Management individually reviews all balances on promises to give and grants receivable and, based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management has determined that no allowance for uncollectible promises to give or grants receivable was required at August 31, 2025 and 2024.

*Contributions of Nonfinancial Assets*

Contributions of nonfinancial assets are recognized at the estimated fair value determined on the date of contribution. 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 Society.

*Revenue from Contracts with Customers*

Revenues from contracts with customers include revenues from contracts, sale of merchandise and special events. These are treated as exchange transactions in the statements of activities and changes in net assets. There are no significant financial components as payment is received at or shortly after the point of sale. Funds received in advance from customers for services that have not been performed have been recorded as contract liabilities in the statements of financial position. Sales taxes collected concurrent with the revenue-producing activities are excluded from revenue. Any obligations for refunds are not material and accordingly, related disclosures are not provided. These revenues are shown as support with no donor restrictions in the statements of activities and changes in net assets.

*Contract Revenue*

Revenue from contract agreements is recognized over time as qualifying expenditures are incurred and conditions under the agreements are met. Refunds are allowed in limited situations prior to the occurrence of the program and occur infrequently.

*Sale of Merchandise*

Revenues from the sale of merchandise are recorded at the time the goods have been shipped or when taken by the customer, which is a specific point in time. Rates are set for each item sold.

*Special Events*

The Society accounts for special event income in the statements of activities and changes in net assets net of direct costs related to the events. Funds received in advance for ticket sales or sponsorships are recorded as contract liabilities until the event occurs. Revenues are recognized at a point in time, at the date of the event held.

*Other Revenues*

Other revenues are received from investment income. These revenues are used to offset program and management and general expenses, unless restricted by the donor. Revenues from these sources are recognized at the time the investment income is received.

*Accounts Receivable and Contract Assets*

Accounts receivable are uncollateralized, non-interest bearing and due within normal payment terms. Contract assets arise when the Society has transferred goods or services to a customer, but recognition of the related revenue is contingent on something other than the passage of time (e.g., meeting additional performance obligations). Contract assets are recorded when the Society's right to consideration is conditional. These amounts are reclassified to accounts receivable once the Society's right to invoice becomes unconditional.

Amounts are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Society separates accounts receivable and contract assets into risk pools based on their aging. In determining the amount of the allowance as of the statement of financial position date, the Society develops a loss rate for each risk pool. This loss rate is based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. The allowance and related changes as of and for the years ended August 31, 2025 and 2024 is not material to the financial statements.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

**j. Grants Made**

The Society recognizes grants made, including unconditional promises, as expenses in the period made. Conditional promises, that is, those with a measurable performance or other barrier, and a right of return or release, are not recognized in expense until the conditions on which they depend have been substantially met.

**k. Advertising**

Advertising is expensed in the period incurred. Advertising amounted to \$41,516 and \$26,236 at August 31, 2025 and 2024, respectively.

**l. Functional Expense Classifications**

The expenses of the Society are presented in the statements of activities and changes in net assets under the following classifications which describe the Society's program activities:

- *Education and Sanctuaries* - To promote educational awareness and environmental protection through summer camps, field trips, lectures and weekend events and to maintain wildlife sanctuaries, educational centers and other properties.
- *Stewardship* - To encourage and support sound conservation and stewardship practices and laws.
- *Research* - To disseminate and advance knowledge of the natural environment through educational and research programs and publications.

All expenses which were not directly associated with the above service categories, primarily management and fundraising expenses are categorized as management and general expenses or development expense. Expenses are allocated on a functional basis between the above classifications. Expenses that can be identified within a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are prorated among the functions. Certain costs have been allocated among program service, management and general and development expense. Such allocations are determined by management on an equitable basis.

The expenses that are allocated and the method of allocation are as follows:

<b>Expense Category</b>	<b>Allocation Methodology</b>
Insurance	Headcount, direct expense

**m. Income Taxes**

New Jersey Audubon Society is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for federal income taxes. There were no uncertain tax positions at August 31, 2025 and 2024. The Society did not have any income tax related penalties or interest for the years presented.

**n. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 period. Actual results could differ from those estimates. Significant estimates included within these financial statements include the net present value of promises to give receivable, the estimated useful lives of property and equipment, and the allocation of functional expenses.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

**3. Financial Assets and Liquidity Resources**

As of August 31, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and fulfillment of liabilities, were as follows:

	<u>2025</u>	<u>2024</u>
<b>Financial assets at year end</b>		
Cash and cash equivalents	\$ 1,993,190	\$ 2,443,171
Grants receivable	649,192	592,048
Accounts receivable	21,261	26,687
Contract assets	165,712	117,521
Investments (b)	13,185,430	12,642,283
Promises to give receivable	836,158	1,188,602
<b>Financial assets</b>	<u>16,850,943</u>	<u>17,010,312</u>
Less: Net assets with donor restrictions (a)	(11,120,465)	(11,371,735)
	<u>5,730,478</u>	<u>5,638,577</u>
<b>Liquidity resources</b>		
Estimated annual draw from investment funds	550,156	434,715
<b>Total financial assets and liquidity resources</b>	<u>\$ 6,280,634</u>	<u>\$ 6,073,292</u>

The financial assets above are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Society manages its financial assets to be available as its operating expenditures, liabilities and other obligations come due. Excess cash is invested in mutual funds.

(a) These amounts exclude net assets with donor restrictions which are held in noncurrent financial assets (beneficial interest in funds held by others) and nonfinancial assets (land held in perpetuity) because they are not included in the financial assets above.

(b) Included within Investments above is noncurrent amounts that are restricted by the Board of Directors as they may be made available for general operating needs, if necessary, through a board resolution.

**4. Promises to Give Receivable**

At August 31, 2025 and 2024, promises to give receivable consisted of the following:

	<u>2025</u>	<u>2024</u>
Gross promises to give receivable	\$ 850,488	\$ 1,225,135
Less: Discount to net present value	(14,330)	(36,533)
<b>Net promises to give receivable</b>	<u>836,158</u>	<u>1,188,602</u>
Less: Current portion	(599,988)	(685,511)
<b>Promises to give receivable, long term</b>	<u>\$ 236,170</u>	<u>\$ 503,091</u>

At August 31, 2025 and 2024, contributions and bequests receivable were discounted using a risk-free rate which was 3.85% and 4.42%, respectively. Maturities of contributions receivable are the following at August 31, 2025:

Less than one year	\$ 599,988
Between one and five years	250,500
	<u>\$ 850,488</u>

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

**5. Fair Value Measurements**

The following table summarizes assets (liabilities) which have been accounted for at fair value on a recurring basis as of August 31, along with the basis for the determination of fair value:

	<b>2025</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Money Market Fund	\$ 296,114	\$ 296,114	\$ -	\$ -
<b>Mutual funds - stocks</b>				
Foreign large blend	2,904,353	2,904,353	-	-
Large blend	2,100,179	2,100,179	-	-
Large growth	855,286	855,286	-	-
Large value	849,364	849,364	-	-
Mid cap blend	370,113	370,113	-	-
Small growth	358,955	358,955	-	-
Social index fund admiral	410,799	410,799	-	-
<b>Mutual funds - fixed income</b>				
Corporate bond	1,397,474	1,397,474	-	-
Intermediate term bond	2,514,890	2,514,890	-	-
Short-term bond	1,127,903	1,127,903	-	-
Cash surrender value, life insurance	317,034	-	317,034	-
Beneficial interest in funds held by others	803,421	-	-	803,421
	<b>\$ 14,305,885</b>	<b>\$ 13,185,430</b>	<b>\$ 317,034</b>	<b>\$ 803,421</b>

	<b>2024</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Mutual funds - stocks</b>				
Foreign large blend	\$ 3,077,334	\$ 3,077,334	\$ -	\$ -
Large blend	2,006,779	2,006,779	-	-
Large growth	843,779	843,779	-	-
Large value	845,272	845,272	-	-
Mid cap blend	357,565	357,565	-	-
Small growth	346,905	346,905	-	-
Social index fund admiral	400,422	400,422	-	-
<b>Mutual funds - fixed income</b>				
Corporate bond	1,325,941	1,325,941	-	-
Intermediate term bond	2,387,958	2,387,958	-	-
Short-term bond	1,050,328	1,050,328	-	-
Cash surrender value, life insurance	308,330	-	308,330	-
Beneficial interest in funds held by others	724,498	-	-	724,498
	<b>\$ 13,675,111</b>	<b>\$ 12,642,283</b>	<b>\$ 308,330</b>	<b>\$ 724,498</b>

During the years ended August 31, 2025 and 2024, changes in value of beneficial interest in funds held by others which are classified as Level 3 totaled \$55,888 and \$117,887, respectively.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

Investment return, net related to these investments is included with investment income earned by cash and cash equivalents on the statements of activities and changes in net assets at August 31, 2025 and 2024, and was comprised of the following:

	<u>2025</u>		<u>2024</u>	
Interest and dividend income	\$	438,373	\$	485,200
Realized gain		590,471		209,162
Unrealized gain		215,472		1,187,179
		<u>1,244,316</u>		<u>1,881,541</u>
Less: Investment fees		(22,975)		(30,235)
	\$	<u>1,221,341</u>	\$	<u>1,851,306</u>

**6. Property and Equipment**

Property and equipment at August 31, 2025 and 2024 was comprised of the following:

	<u>2025</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Land	\$ 1,000,000	\$ -	\$ 1,000,000
Buildings and improvements	5,760,017	911,916	6,671,933
Furniture and equipment	522,230	-	522,230
Construction in progress	261,513	-	261,513
	<u>7,543,760</u>	<u>911,916</u>	<u>8,455,676</u>
Less: Accumulated depreciation	(3,479,332)	(907,725)	(4,387,057)
	<u>\$ 4,064,428</u>	<u>\$ 4,191</u>	<u>\$ 4,068,619</u>

	<u>2024</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Land	\$ 1,000,000	\$ -	\$ 1,000,000
Buildings and improvements	5,172,465	911,916	6,084,381
Furniture and equipment	748,526	-	748,526
	<u>6,920,991</u>	<u>911,916</u>	<u>7,832,907</u>
Less: Accumulated depreciation	(3,811,767)	(905,858)	(4,717,625)
	<u>\$ 3,109,224</u>	<u>\$ 6,058</u>	<u>\$ 3,115,282</u>

Depreciation expense charged to operations amounted to \$202,597 and \$184,393 for the years ended August 31, 2025 and 2024, respectively.

**7. Cash Surrender Value - Life Insurance**

At August 31, 2025 and 2024, the estimated cash surrender value was \$317,034 and \$308,330, respectively. Change in the cash surrender value of life insurance of (\$11,296) and (\$8,330) is presented in change in value of cash surrender value, life insurance in the statements of activities and changes in net assets during the years ended August 31, 2025 and 2024, respectively.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

**8. Contract Assets and Liabilities**

Contract assets represent receivables which are not billed but have been earned. Contract liabilities represent funds received in advance of services provided or performance obligations being met. Accounts receivable represent amounts billed for the services provided.

Accounts receivable, contract assets and contract liabilities were as follows:

	Accounts Receivable		Contract Assets		Contract Liabilities	
	2025	2024	2025	2024	2025	2024
Beginning of year	\$ 26,687	\$ 63,864	\$ 117,521	\$ 46,831	\$ 192,314	\$ 107,750
End of year	\$ 21,261	\$ 26,687	\$ 165,712	\$ 117,521	\$ 145,705	\$ 192,314

The Society received funds in excess of expenditures incurred, resulting in refundable advances on contracts that continue into the subsequent year and amounted to \$188,865 and \$809,264 at August 31, 2025 and 2024, respectively.

**9. Cost of Goods Sold**

Cost of goods sold for the years ended August 31, 2025 and 2024, was computed as follows:

	2025	2024
Beginning merchandise inventory	\$ 464,377	\$ 459,693
Purchases	810,017	738,942
<b>Goods available for sale</b>	<b>1,274,394</b>	<b>1,198,635</b>
Less: Ending merchandise inventory	517,363	464,377
<b>Cost of goods sold</b>	<b>\$ 757,031</b>	<b>\$ 734,258</b>

**10. Employee Retirement Plan**

All employees of the Society who have completed minimum service requirements are eligible to participate in the New Jersey Audubon Society's Retirement Plan (the "Plan"), a defined contribution plan. Participants in the Plan are eligible to contribute amounts up to the maximum allowed by law on an annual basis. Discretionary employer contributions are determined by the Society and amounted to \$71,395 and \$72,944 for the years ended August 31, 2025 and 2024, respectively.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

**11. Net Assets**

Components of net assets with donor restrictions at August 31, 2025 and 2024, were as follows:

	<b>2025</b>	<b>2024</b>
<b>With donor restrictions - restricted by donor for programmatic use as follows</b>		
Education	\$ 829,338	\$ 379,475
Government relations	33,909	59,564
Stewardship	310,269	248,214
Research	45,063	116,866
SOAR campaign	1,817,618	2,132,688
	<u>3,036,197</u>	<u>2,936,807</u>
Time restricted	836,159	1,188,602
	<u>3,872,356</u>	<u>4,125,409</u>
Donor endowed principal	7,248,109	7,246,326
Beneficial interest in residual trust	734,903	679,015
Charitable gift annuity	68,518	45,504
Land restricted as site or sanctuary in perpetuity	15,527,029	15,527,029
<b>Total net assets with donor restrictions</b>	<u>\$ 27,450,915</u>	<u>\$ 27,623,283</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

	<b>2025</b>	<b>2024</b>
<b>Purpose restrictions</b>		
Research	\$ 76,306	\$ 50,302
Government relations	31,711	4,980
Education	354,214	125,526
Stewardship	69,600	67,860
SOAR campaign	853,893	503,937
	<u>1,385,724</u>	<u>752,605</u>
Satisfaction of time restrictions	94,804	288,715
Release of land restricted as site or sanctuary	-	1,306,700
	<u>\$ 1,480,528</u>	<u>\$ 2,348,020</u>

# **New Jersey Audubon Society Notes to Financial Statements August 31, 2025 and 2024**

## **12. Endowment Funds**

The Society's endowment consists of approximately 11 individual funds established by donors for a variety of purposes. Additionally, there is a board endowment included in the total investment pool, which is included in net assets without donor restrictions and is subject to the spending policy of the Society as well as to additional board direction as to use. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment funds established by the donors are included in net assets with donor restrictions.

### **Interpretation of Relevant Law**

The State of New Jersey has enacted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") effective June 2009. Prior to that New Jersey operated under the Uniform Management of Institutional Funds Act ("UMIFA"). Both UPMIFA and its predecessor, UMIFA, provide guidance on the maintenance and spending of endowment funds when the intent of the donors is not clear. UPMIFA provides new guidelines for the expenditure of an endowment fund with donor restriction, absent explicit donor stipulations. UPMIFA eliminates UMIFA's requirement for a permanent endowment to be maintained at its historic dollar value amount and instead allows not-for-profits to adopt prudent spending policies which can allow for invasion of corpus. Furthermore, the permanent endowments of the Society are subject to written instruments in which the donor's intent as to purpose and spending policies are explicitly indicated.

The Society has interpreted state law as requiring the preservation of the value of the endowment fund with primary consideration given to the donor intent expressed in the gift instrument. For those donations subject to UPMIFA, the Society has followed the donor instruments in classifying as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Society and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Society
- (7) The investment policies of the Society.

### **Return Objectives and Risk Parameters**

The Society has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Society must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to minimize risk and maximize current income. The Society expects its endowment funds, over time, to provide an average rate of return of approximately 4.5% annually. Actual returns in any given year may vary from this amount.

### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Society relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Society targets an asset allocation that equally balances equities and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

### **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Society has a policy of appropriating for distribution up to 5% each year of its endowment fund's average fair value. For both of the years ended August 31, 2025 and 2024, the spending rates were 3.00%. In establishing this policy, the Society's investment portfolio is expected to keep up with inflation over the long-term.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

Additional appropriations from the endowment without donor restriction can be made at the discretion of the Board for capital improvements or other strategic initiatives. This is consistent with the Society's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The following tables provide information regarding the change in the endowment net assets for the years ended August 31, 2025 and 2024:

	With Donor Restrictions					Total
	Without Donor Restrictions	Investments	Beneficial Interests	Land Held in Perpetuity	Total With Donor Restrictions	Endowment 2025
Endowment net assets, beginning	\$ 5,559,160	\$ 7,435,623	\$ 724,498	\$ 15,527,029	\$ 23,687,150	\$ 29,246,310
<b>Investment return</b>						
Investment income	302,422	27,486	-	-	27,486	329,908
Realized gain	540,736	49,735	-	-	49,735	590,471
Unrealized gain	197,394	18,078	-	-	18,078	215,472
Change in value of funds held by others	-	-	55,888	-	55,888	55,888
	6,599,712	7,530,922	780,386	15,527,029	23,838,337	30,438,049
Contributions received	747,183	1,763	23,035	-	24,798	771,981
Appropriated for expenditure	(1,305,607)	(36,473)	-	-	(36,473)	(1,342,080)
<b>Endowment net assets, ending</b>	\$ 6,041,288	\$ 7,496,212	\$ 803,421	\$ 15,527,029	\$ 23,826,662	\$ 29,867,950

Net assets with donor restrictions required to be maintained in perpetuity \$ 7,248,109

	With Donor Restrictions					Total
	Without Donor Restrictions	Investments	Beneficial Interests	Land Held in Perpetuity	Total With Donor Restrictions	Endowment 2024
Endowment net assets, beginning	\$ 3,998,316	\$ 7,389,666	\$ 606,611	\$ 16,833,729	\$ 24,830,006	\$ 28,828,322
<b>Investment return</b>						
Investment income	344,913	31,679	-	-	31,679	376,592
Realized gain	191,335	17,573	-	-	17,573	208,908
Unrealized gain	1,087,314	99,865	-	-	99,865	1,187,179
Change in value of funds held by others	-	-	117,887	-	117,887	117,887
	5,621,878	7,538,783	724,498	16,833,729	25,097,010	30,718,888
Contributions received	470,089	2,537	-	-	2,537	472,626
Appropriated for expenditure	(532,807)	(105,697)	-	-	(105,697)	(638,504)
Release of land restricted as site or sanctuary	-	-	-	(1,306,700)	(1,306,700)	(1,306,700)
<b>Endowment net assets, ending</b>	\$ 5,559,160	\$ 7,435,623	\$ 724,498	\$ 15,527,029	\$ 23,687,150	\$ 29,246,310

Net assets with donor restrictions required to be maintained in perpetuity \$ 7,246,326

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

Endowment net assets at August 31, 2025 and 2024 consist of the following:

	<b>2025</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment net assets</b>			
Board-designated funds	\$ 6,041,288	\$ -	\$ 6,041,288
<b>Donor-restricted endowment:</b>			
Historical value	-	23,578,559	23,578,559
Appreciation	-	248,103	248,103
<b>Endowment net assets at August 31, 2025</b>	<b>\$ 6,041,288</b>	<b>\$ 23,826,662</b>	<b>\$ 29,867,950</b>
	<b>2024</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Endowment net assets</b>			
Board-designated funds	\$ 5,559,160	\$ -	\$ 5,559,160
<b>Donor-restricted endowment:</b>			
Historical value	-	23,497,853	23,497,853
Appreciation	-	189,297	189,297
<b>Endowment net assets at August 31, 2024</b>	<b>\$ 5,559,160</b>	<b>\$ 23,687,150</b>	<b>\$ 29,246,310</b>

**13. Contributions of Nonfinancial Assets**

The Society recognized contributed nonfinancial assets within revenue. Contributed services did not have donor-imposed restrictions. Contributed services recognized comprise legal services from legal professionals for management and general purposes. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar legal services.

Contributions of nonfinancial assets consisted of the following for years ended August 31, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Legal services	\$ 11,770	\$ 113,931

**14. Related Party Transactions**

For the years ended August 31, 2025 and 2024, contributions from members of the Board of Directors amounted to approximately \$257,000 and \$183,000, respectively.

**New Jersey Audubon Society  
Notes to Financial Statements  
August 31, 2025 and 2024**

**15. Risks and Uncertainties**

**Financial Instruments and Credit Risk**

The Society's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash, cash equivalents, investments, grants receivable, accounts receivable, contract assets and promises to give receivable. The Society has significant cash balances at financial institutions which throughout the year regularly exceed the federally insured limit of \$250,000. Any loss incurred or a lack of access to such funds could have an adverse impact on the Society's financial condition, results of operations, and cash flows.

The Society invests in various investments which are exposed to various risks such as interest rates, credit and overall volatility risks. Due to the level of risk with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Society's account balances and the amounts reported in the accompanying financial statements.

**Revenue**

The Society had contributions from one donor amounting to 15% of total contributions for the year ended August 31, 2025. The Society had contributions from one donor amounting to 11% of total contributions for the year ended August 31, 2024.

**Receivables**

At August 31, 2025 and 2024, the Society had two and three donors that comprised 70% and 59% of promises to give receivable, respectively. At August 31, 2025 and 2024, the Society had two and four donors that comprised 69% and 76% of the total of accounts receivable, grants receivable and contract assets, respectively.

**16. Subsequent Events**

The Society has evaluated subsequent events occurring after the statement of financial position date through the date of February 25, 2026, the date the financial statements were available for release. Based upon this evaluation, the Society has determined no subsequent events require disclosure in or adjustment to the financial statements.

## **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 Directors of  
New Jersey Audubon Society:

We have audited, in accordance with the 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 ("*Government Auditing Standards*"), the financial statements of New Jersey Audubon Society, which comprise the statement of financial position as of August 31, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2026.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered New Jersey Audubon Society's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of New Jersey Audubon Society's internal control. Accordingly, we do not express an opinion on the effectiveness of New Jersey Audubon Society'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 a 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.

Our 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 our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether New Jersey Audubon Society's financial statements are free from material misstatement, we 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters 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 our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

*Withum Smith+Brown, PC*

February 25, 2026