

**F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM**

**DATE:** October 29, 2021

**REQUEST DATE:** August 27, 2021

**Last grant acknowledgement:** Yes

**Program Area:** Environment/Animals

**APPLICANT:**

New Jersey Conservation Foundation  
Bamboo Brook  
170 Longview Road  
Far Hills, NJ 07931

**CONTACT:** Ms. Michele S. Byers, Executive Director

**PHONE:** 908-234-1225 x 115

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$155,000 **NATURE OF REQUEST:** For general operating support - \$130,000; toward natural solutions program focused on advancing sustainable agriculture practices in New Jersey - \$25,000

**GRANT HISTORY**

**LAST GRANT DATE:** 7/31/2020

**LAST GRANT AMOUNT:** \$115,000

**FYE DATE:** 12/31/2020

**AFS DATE:** 6/24/2021

2016	\$100,000	9/12/2016
2017	\$115,000	12/8/2017
2018	\$115,000	9/17/2018
2019	\$115,000	9/16/2019
2020	\$115,000	7/31/2020

**DLK COMMENTS:** NJCF’s work is impressive on many levels. From the alliances it has formed, to the four comprehensive programs designed to accomplish its mission of preserving land and natural resources throughout New Jersey for the benefit of all, and a well-rounded Board representing many partners from the Environmental landscape, the Foundation has positioned itself as a key environmental player in New Jersey.

NJCF’s four core programs include land preservation, stewardship, advocacy, and education/outreach. The Foundation uses Garden State Greenways, a plan that envisions a network of interconnected open space and farmland, as its guide. In 2020, it helped preserve 2,558 acres (20 properties), including nine parcels with high climate, conservation, and recreation value. NJCF continues to use the NJ Conservation Blueprint (which FMKF helped fund via The Nature Conservancy-NJ in 2015 and 2016) as a primary tool to help identify properties of preservation interest.

NJCF co-chairs the NJ Climate Change Alliance work group on Natural and Working Lands Strategies. The group is fostering partnerships to advance research policy analysis and demonstration projects. One such partnership involves assisting the Department of Environmental

## **APPLICANT: New Jersey Conservation Foundation**

Protection (NJDEP) in developing a statewide land sequestration strategy as part of their efforts to implement the Global Warming Response Act.

In 2021, the Foundation has a key new strategic initiative focusing on using natural solutions as part of a comprehensive climate mitigation strategy. This will include sound forest management strategies and sustainable and inclusive agricultural practices to protect and enhance carbon sequestration, reduce chemical use, and improve water quality. NJCF will work with other agencies and organizations to identify best practices and with its farmers to assist both technically and financially. Ideally these efforts will provide “proof of concept” to advance widespread adoption on both preserved and non-preserved farmland in New Jersey.

NJCF noted throughout its request its efforts to engage new communities and to diversify its work to reach every community in New Jersey. It continues its work in Camden (and recently launched an online Camden Conservation Blueprint) and is working on expanding its presence in Trenton, Elizabeth, Jersey City, and other communities to bring nature to every neighborhood. It helped establish a coalition for environmental equity and inclusion in Mercer County called the Outdoor Equity Alliance. The group’s goal is to make sure that all people can enjoy the mental, physical, and spiritual benefits of spending time outdoors without fear or feeling unwelcome. The Foundation also formed a Justice Equity Diversity and Inclusion (JEDI) Task Force which includes leadership and staff from all departments and has been working on increasing justice, equity, diversity, and inclusion throughout the organization and the conservation community across New Jersey. Finally, NJCF partners with the Foodshed Alliance to make land ownership a possibility for would-be farm entrepreneurs. They offer affordable 10-year, renewable farmland leases to farmers who pledge to use organic practices. The Alliance has been working with urban agriculture partner organizations to expand outreach efforts and engage Black, Indigenous and people of color and socially disadvantaged communities.

As mentioned earlier, NJCF has a well-rounded Board with representatives from The Nature Conservancy, Association of New Jersey Environmental Commissions, Rutgers University Office of Urban Extension & Engagement, and representatives from local planning boards and conservancies. The Foundation added seven new board members with backgrounds in expertise in potential new partner areas (health, urban agriculture, and environmental justice).

The Foundation has a healthy \$53M in unrestricted net assets. It anticipates a decline in both revenue and expenses for 2021, with total revenues declining by \$890K (26%). However, \$552K is related to no PPP monies in 2021 and a drop in contributions of \$160K. With unrestricted contributions budgeted at \$1.2M for 2021, a FMKF grant of \$130K would equate to approximately 11% of contributions. I will note that we are currently funding Nature Conservancy in New Jersey at \$140K, Trust for Public Land at \$140K and NJ Audubon Society at \$120K (3 yr. pledge plus \$50K GOS). I recommend a grant of \$140K, with \$120K GOS and \$20K towards the natural solutions program.

Financial analysis attached.

**JJK COMMENTS:** The changes to NJCF over the last few years are significant. I recall seeing an early draft of a strategic plan just a few years ago that made little mention of climate change. Now, it seems to be at the center of their 2022 planning. Furthermore, there appears to be a much more concerted effort to help connect underserved communities to natural spaces, as evidenced by the

## **APPLICANT: New Jersey Conservation Foundation**

partnerships with Camden community groups and the intention to work with partners to preserve urban gardens.

Michele Byers will be retiring as Executive Director in December, after 22 years of leadership and 40 years of involvement with NJCF. Quite a record of achievement. From the press release: “With Byers at the helm, New Jersey Conservation Foundation permanently preserved about 60,000 acres of open space and farmland.” Let’s acknowledge her service on the insert.

Her work will be assumed by three co-directors: Tom Gilbert, who specializes in climate and energy; Allison Mitchell, former development director; and Jay Watson, who has headed up statewide land protection and community engagement. I am a bit skeptical of a triumvirate leadership structure, but to a certain extent these three leaders represent NJCF’s strategic plan of connecting nature to every neighborhood, advancing natural solutions to climate change; engaging NJ residents to embrace nature and the outdoors; and ensuring the organization continues to be effective. With our last site visit happening in 2017 and with this new leadership team, I recommend a site visit in 2022.

Great to see the Sourland Mountain Preserve, in Hopewell Valley, gain an additional 378 acres, which will help make up 1,150 acres total managed by NJCF. These forested wetlands and agricultural lands are an important buffer for climate change, as places for carbon sequestration, stormwater runoff, and sustainable agricultural practices. Furthermore, NJCF acquired 48 acres in Raritan Township that will join the 3,800-acre Wickecheoke Creek Preserve. In a sense, this acquisition represents a key NJCF strategy of creating beads of preserved lands that, when strung together, make up a “necklace” of parkland.

It is also interesting to see how much NJCF emphasizes agriculture in this request. While it is always good to hear of ecologically rich forested lands protected from development, for land that has already been turned to agriculture, there are abundant opportunities to make these properties more sustainable. NJCF is looking to create a demonstration project by transitioning 50 acres or more of land on their preserves to sustainable agricultural practices and hiring a farmer to act as the lead on the project.

With dry powder to spare in our 2021 environmental budget, and in honor of Michele’s service, I am in favor of the bump up to \$140K, from the budgeted \$130K. This is in keeping with our multi-year effort to increase spending in the environmental docket.

I recommend \$120K for GOS and \$20K for the natural solutions program focused on advancing sustainable agriculture practices in New Jersey.

# APPLICANT: New Jersey Conservation Foundation

FM KIRBY FOUNDATION Financial Statement Analysis			
Grantee Name:	New Jersey Conservation Foundation	Date:	10/16/2021
Prepared By:	DLK		
Grant Request Amt.	\$ 155,000	Type of Financial Report Submitted	Audit
Budgeted Amt.	\$ 130,000	Period Covered in Financial Report	12/31/2020
Audit Firm	EisnerAmper	Date of Report Issuance	6/24/2021
Opinion	Present Fairly		
Basis of Acctg.	GAAP		
Current Ratio (Liquidity Ratio/Working Capital Ratio)	68.36	Amount of Unrestricted Net Assets (Operating Reserve)	\$ 53,080,069

**Note:** A current ratio measures an organization's ability to pay short-term and long-term obligations. The higher the ratio, the more capable the organization is of paying its obligations. A ratio under 1 indicates that the organization's liabilities are greater than its assets.

Allocation of Functional Expenses	12/31/2020	%	Must Read Financial Statement Notes
A. Program Service Expenses	\$ 5,979,235	84%	Ideally program expenses should be at least 70% of total budget.
B. Management and General	\$ 501,862	7%	
C. Fundraising	\$ 609,331	9%	
D. Total Expenses	\$ 7,090,428	100%	

### Comments/ Notes:

**Budget:** The 2021 budget projects an operating deficit of \$1.3M (excluding the release of restricted funds and transfers from the Board endowment and operating reserves). Total revenues are budgeted to decline by \$890K (26%) from 2020, with \$552K related to the 2020 PPP loan, \$160K in lower contributions and \$60K in lower restricted revenues. Total expenses are budgeted to increase by \$156K (4%), with professional fees up \$222K and grants down \$127K. After endowment transfers, NJCF is projecting a net surplus of \$5K.

**Audit:** 2020 had an operating surplus of \$5.4M and overall net assets grew \$3.9M. Total support and revenues grew \$3.5M over 2019, with contributions up \$2.9M (54%) and government grants up \$1.1M (63%). During 2020, the Foundation held a virtual gala for which all proceeds paid were contributions. NJCF received \$552.5K (net) in PPP funds and those were recognized as government grant revenue. Program expenses declined by \$1.9M (24%) with program grants down \$1.5M and donated professional services down \$500K. Supporting services increased by \$53K (5%). As of December 31, 2020, there were 35 purchased and 77 donated easements. NJCF had total investments of \$17.7M (including \$1.4M in cash/cash equivalents) as of December 31, 2020, of which \$8.2M of the investments were endowment-related. In April 2021, NJCF received notification that the SBA had fully forgiven the PPP Loan. Overall, no red flags as a result of my review.

