

FRIENDS OF PASSAIC COUNTY PARKS

ANNUAL AUDIT REPORT

**FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**

FRIENDS OF PASSAIC COUNTY PARKS
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FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

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INDEPENDENT AUDITOR'S REPORT

Friends of Passaic County Parks
401 Grand Street
Paterson, NJ 07505

Ladies and Gentlemen:

We have audited the accompanying statements of financial position of Friends of Passaic County Parks (a nonprofit organization) which comprise the statements of financial position as of as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Passaic County Parks as of December 31, 2015 and 2014, 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.

Very truly yours,

Ferraioli, Wielkutz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

May 5, 2016

**FRIENDS OF PASSAIC COUNTY PARKS
STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

| <u>ASSETS</u> | <u>2015</u> | <u>2014</u> |
|---------------------------|---------------------|----------------------|
| Current Assets: | | |
| Cash and Cash Equivalents | 3,339 | 18,903 |
| Accounts Receivable | <u>2,750</u> | <u> </u> |
| Total Assets | <u><u>6,089</u></u> | <u><u>18,903</u></u> |
| | | |
| <u>NET ASSETS</u> | | |
| Net Assets: | | |
| Unrestricted | <u>6,089</u> | <u>18,903</u> |
| Total Net Assets | <u><u>6,089</u></u> | <u><u>18,903</u></u> |

See accompanying notes to financial statements.

**FRIENDS OF PASSAIC COUNTY PARKS
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

| | 2015 | 2014 |
|----------------------------------|--------------|-------------|
| Revenues: | | |
| Donations | 124,324 | 56,691 |
| Event Fees | 95,669 | 121,562 |
| | 219,993 | 178,253 |
| Expenses: | | |
| Program Expenses: | | |
| Summer Concert Series: | | |
| Entertainment | 164,715 | 117,824 |
| Security and Safety | 52,899 | 29,604 |
| Maintenance of Parks | 15,118 | 16,296 |
| Support Expenses: | | |
| Bank Fees | 75 | 28 |
| | 232,807 | 163,752 |
| Changes in Net Assets | (12,814) | 14,501 |
| Net Assets, January 1, | 18,903 | 4,402 |
| Net Assets, December 31, | 6,089 | 18,903 |

See accompanying notes to financial statements.

**FRIENDS OF PASSAIC COUNTY PARKS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

| | <u>2015</u> | <u>2014</u> |
|---|---------------------|----------------------|
| Cash Flows From Operating Activities: | | |
| Change in Net Assets | (12,814) | 14,501 |
| (Increase) Decrease in Receivables | <u>(2,750)</u> | <u> </u> |
| Net Cash Provided (Used) by Operating Activities: | <u>(15,564)</u> | <u>14,501</u> |
| Net Increase (Decrease) in Cash and Investments | (15,564) | 14,501 |
| Cash and Cash Equivalents, Beginning of Year | <u>18,903</u> | <u>4,402</u> |
| Cash and Cash Equivalents, End of Year | <u><u>3,339</u></u> | <u><u>18,903</u></u> |

See accompanying notes to financial statements.

**FRIENDS OF PASSAIC COUNTY PARKS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies the Friends of Passaic County Parks (the "Organization") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (generally accepted accounting principles) and have been consistently applied in the preparation of the financial statements.

Nature of Activities

The Organization's mission is to enhance and advocate for the Passaic County Parks System by pursuing all relevant and applicable grant opportunities, soliciting corporate donations, conducting an annual fundraising campaign and pursuing all available avenues of fundraising exclusively for the benefit of the county parks, as well as by educating residents about the historic landmarks which lie within the parks system.

Basis of Presentation

The Organization's policy is to prepare its financial statements using the accrual basis of accounting.

The Organization has adopted the provisions of Financial Accounting Standard Board's ASC 958:205, "Presentation of Financial Statements of Not-for-profit Organizations", which established standards for external financial reporting of not-for-profit organizations. These provisions require that a complete set of financial statements for a not-for-profit organization should include a *statement of financial position* as of the end of the reporting period, a *statement of activities* and a *statement of cash flows* for the reporting period, and accompanying notes to the financial statements, as described below.

Statement of Financial Position

The primary purpose of the statement of financial position is to provide relevant information about the organization's assets, liabilities and net assets, and about their relationships to each other at a moment in time. The information provided in the statement of financial position, used with related disclosures and information in other financial statements, helps donors, members, creditors and others assess (a) the organization's ability to continue to provide services and (b) the organization's liquidity, financial flexibility, ability to meet obligations, and needs for external financing.

**FRIENDS OF PASSAIC COUNTY PARKS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Presentation, (continued)

Statement of Financial Position, (continued)

A statement of financial positions provided by a not-for profit organization shall report the amounts for each of the three classes of net assets – permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets – based on the existence or absence of donor- imposed restrictions.

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization had no temporarily restricted net assets at December 31, 2015.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization had no permanently restricted assets at December 31, 2015.

Statement of Activities

The primary purpose of a statement of activities is to provide relevant information about (a) the effects of transactions and other events and circumstances that change the amount and nature of net assets, (b) the relationships of those transactions and other events and circumstances to each other, and (c) how the organization's resources are used in providing various programs or services. The information in statement of activities, used with related disclosures and information in the other financial statements, helps donors, creditors, and others to (1) evaluate the organization's performance during a period, (2) assess an organization's service efforts and ability to continue to provide services, and (3) how an organization's managers have discharged their stewardship responsibilities and other aspects of their performance.

**FRIENDS OF PASSAIC COUNTY PARKS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEAR ENDING DECEMBER 31, 2015 AND 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Presentation, (continued)

Statement of Cash Flows

The primary purpose of the statement of cash flows is to provide relevant information about the cash receipts and cash payments of an organization during a period.

Income Taxes

The Organization is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organization is also exempt under Title 15 of the State of New Jersey, Corporations and Association Not-For-Profit Act. Accordingly, no provision for federal and state income taxes has been presented in the accompanying financial statements.

Friends of Passaic County Park's accounting policies require compliance with FASB interpretation No. 48 "Accounting for Uncertainty in Income Taxes". During the year, the Organization regularly monitors transactions for potential exposure of an unrelated business income tax liability. As of December 31, 2015, the Organization identified no transactions that would qualify as unrelated business income under FASB Interpretation No. 48.

Estimates

The preparation of financial statements in conformity with 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.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Accounts Receivable

Accounts receivable consist of amounts due to the Organization for purchases of commemorative plaques. Accounts receivable are reported at their outstanding balances, reduced by an allowance for doubtful accounts. As December 31, 2015 and 2014, the accounts receivable balance is deemed fully collectible and management has not recorded an allowance for bad debt.

**FRIENDS OF PASSAIC COUNTY PARKS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDING DECEMBER 31, 2015 AND 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Reclassification

While total revenue has not changed, certain amounts in the prior year have been reclassified for comparative purposes to conform with the presentation of the current year financial statements.

NOTE 2 - FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization maintains its cash in bank deposit accounts, the balances of which, at time, may exceed Federally insured limits. Exposure to credit risk is reduced by management placing such deposits in high quality financial institutions.

NOTE 3 - CASH AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest.

The Organization held \$3,339 in cash at December 31, 2015 which was comprised entirely of one checking account.

NOTE 4 - SUBSEQUENT EVENTS

Management has reviewed subsequent events and transactions that occurred after the statement of financial position date through May 5, 2016. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Management is not aware of any pending or unsettled lawsuits against the Organization that would have a material effect on the financial statements.