

FRIENDS OF PASSAIC COUNTY PARKS

ANNUAL AUDIT REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

FRIENDS OF PASSAIC COUNTY PARKS
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FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the financial statements of the Friends of Passaic County Parks which comprise the statement of financial position as of and for the years ended December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Friends of Passaic County Parks as of December 31, 2021 and 2020, and the results of its operations 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). 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 the Friends of Passaic County Parks 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 Friends of Passaic County Park's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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



Friends of Passaic County Parks
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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.

Very truly yours,

Wielkatz & Company, LLC
WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

June 24, 2022



**FRIENDS OF PASSAIC COUNTY PARKS
STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| <u>ASSETS</u> | <u>2021</u> | <u>2020</u> |
|-----------------------------|----------------|----------------|
| Current Assets: | | |
| Cash and Cash Equivalents | 683,341 | 361,422 |
| Grants Receivable | 50,050 | 8,654 |
| | <hr/> | <hr/> |
| Total Assets | <u>733,391</u> | <u>370,076</u> |
| <u>NET ASSETS</u> | | |
| Net Assets: | | |
| With Donor Restrictions | 247,859 | 290,519 |
| Without Donor Restrictions: | | |
| Unrestricted | 485,532 | 79,557 |
| | <hr/> | <hr/> |
| Total Net Assets | <u>733,391</u> | <u>370,076</u> |

See accompanying notes to financial statements.

**FRIENDS OF PASSAIC COUNTY PARKS
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | <u>2021</u> | <u>2020</u> |
|---------------------------------|------------------|------------------|
| Revenues: | | |
| Improvement Grants: | | |
| County Grant | 279,700 | 5,375 |
| Contributions | 951,906 | 1,105,114 |
| Donations | 218,200 | 20,000 |
| Event Fees | 209,745 | - |
| Memorials | 8,474 | - |
| Interest Income | 688 | 95 |
| Miscellaneous | | 289 |
| | <u>1,668,713</u> | <u>1,130,873</u> |
| Expenses: | | |
| Program Expenses: | | |
| Entertainment | 251,190 | 6,550 |
| Security and Safety | 26,570 | |
| Athletic Field Expenses | 975,469 | 690,499 |
| Maintenance of Parks | 28,422 | 206,557 |
| Countywide Interspective Plan | 5,620 | 9,599 |
| Memorials | 793 | - |
| Cultural Resource Consulting | - | 6,556 |
| Support Expenses: | | |
| Advertising | 17,097 | 618 |
| Bank Fees | 237 | 327 |
| Miscellaneous | - | 1,979 |
| | <u>1,305,398</u> | <u>922,685</u> |
| Changes in Net Assets | 363,315 | 208,188 |
| Net Assets, January 1, | <u>370,076</u> | <u>161,888</u> |
| Net Assets, December 31, | <u>733,391</u> | <u>370,076</u> |

See accompanying notes to financial statements.

**FRIENDS OF PASSAIC COUNTY PARKS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------|-----------------------|
| Cash Flows From Operating Activities: | | |
| Change in Net Assets | 363,315 | 208,188 |
| (Increase) Decrease in Receivables | <u>(41,396)</u> | <u>78,856</u> |
| Net Cash Provided (Used) by Operating Activities: | <u>321,919</u> | <u>287,044</u> |
| Net Increase (Decrease) in Cash and Investments | 321,919 | 287,044 |
| Cash and Cash Equivalents, Beginning of Year | <u>361,422</u> | <u>74,378</u> |
| Cash and Cash Equivalents, End of Year | <u><u>683,341</u></u> | <u><u>361,422</u></u> |

See accompanying notes to financial statements.

**FRIENDS OF PASSAIC COUNTY PARKS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 AND 2020**

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 two classes of net assets:

With Donor Restrictions - Net assets that are subject to donor-imposed restrictions (donors include other types of contributors). The Organization had donor-restricted net assets in 2021 and 2020 of \$247,859 and \$290,519, respectively.

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

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.

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 PARKS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDING DECEMBER 31, 2021 AND 2020**

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

Income Taxes, (continued)

Friends of Passaic County Parks 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, 2020, the Organization identified no transactions that would qualify as unrelated business income under FASB Interpretation No. 48.

Contributions

Contributions received are recorded as with donor restrictions or without donor restrictions.

Contributed Services

The Organization receives a certain amount of services from unpaid volunteers. No amounts have been reflected in the financial statements for those services.

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 \$683,341 and \$361,422 in cash at December 31, 2021 and 2020 which was comprised entirely of two checking accounts.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Organization's deposit may not be returned. To minimize this risk, the Organization has deposited cash into a bank insured by Federal Deposit Insurance Organization (FDIC) in the amount of \$250,000. As of December 31, 2021 and 2020, \$459,779 and \$267,166 of the Organization's bank balances of \$709,779 and \$517,166 were exposed to custodial credit risk, respectively.

**FRIENDS OF PASSAIC COUNTY PARKS
NOTES TO FINANCIAL STATEMENTS, (CONTINUED)
FOR THE YEARS ENDING DECEMBER 31, 2021 AND 2020**

NOTE 4 - GRANTS RECEIVABLE

The Friends of Passaic County Parks were awarded State and County grants through the Green Acres Program for Goffle Brook Park Athletic Fields improvements in 2020. The following grants were receivable at December 31, 2020 and 2021:

| | <u>Balance Dec. 31, 2019</u> | <u>Grants Awarded</u> | <u>Less: Grants Received</u> | <u>Balance Dec. 31, 2020</u> |
|--|----------------------------------|---------------------------|----------------------------------|----------------------------------|
| Project No. 16-17-19 (Goffle Brook Park Improvement): | | | | |
| State Grants | \$77,943 | \$ | \$77,943 | \$0 |
| County Grants | 1,287 | | 913 | 374 |
| NJ Historical Trust Grants | <u>8,280</u> | | | <u>8,280</u> |
| | <u>\$87,510</u> | <u>\$0</u> | <u>\$78,856</u> | <u>\$8,654</u> |
| | | | | |
| | <u>Balance Dec. 31, 2020</u> | <u>Grants Awarded</u> | <u>Less: Grants Received</u> | <u>Balance Dec. 31, 2021</u> |
| Project No. 16-17-19 (Goffle Brook Park Improvement): | | | | |
| County Grants | \$374 | \$4,700 | \$5,024 | 50 |
| NJ Historical Trust Grants | <u>8,280</u> | <u>50,000</u> | <u>8,280</u> | <u>50,000</u> |
| | <u>\$8,654</u> | <u>\$54,700</u> | <u>\$13,304</u> | <u>\$50,050</u> |

NOTE 5 - SUBSEQUENT EVENTS

Management has reviewed subsequent events and transactions that occurred after the statement of financial position date through June 24, 2022. 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 6 - 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.