

PINELANDS PRESERVATION ALLIANCE, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2013 AND 2012

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SEPTEMBER 30, 2013 AND 2012

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Cowan DiGiacomo & Associates LLC

Certified Public Accounting Firm

Christopher M. DiGiacomo, CPA

Elizabeth C. Cowan, CPA*

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees & Unit Owners
Pinelands Preservations Alliance, Inc.
17 Pemberton Road
Southampton, NJ 08088

We have audited the accompanying statement of financial position of Pinelands Preservation Alliance, Inc. (PPA) (a nonprofit organization) as of September 30, 2013 and 2012 and the related statements of activities and changes in net assets, cash flows and functional expenses for the twelve months then ended. These financial statements are the responsibility of Pinelands Preservation Alliance, Inc.'s management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Board, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pinelands Preservation Alliance, Inc. as of September 30, 2013 and 2012 the results of its operations and cash flows for the year the ended in conformity with accounting principles generally accepted in the United States of America.

Cowan DiGiacomo & Associates, LLC

Cowan DiGiacomo & Associates, LLC

June 26, 2014

PINELANDS PRESERVATION ALLIANCE, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2013
(WITH COMPARATIVE AUDITED TOTALS FROM SEPTEMBER 30, 2012)

	UNRESTRICTED			TEMPORARILY RESTRICTED		
	Undesignated	Land, Bldgs, & Equipment	Endowment Fund	Total Unrestricted	Temporarily Restricted	2012 TOTAL
ASSETS						
Cash and Cash Equivalents	\$99,206			\$99,206		\$63,268
Investments			\$800,109	800,109		832,046
Property and Equipment, Net (Note 4)		\$735,689		735,689		745,310
TOTAL ASSETS	<u>\$99,206</u>	<u>\$735,689</u>	<u>\$800,109</u>	<u>\$1,635,004</u>	<u>\$1,635,004</u>	<u>\$1,640,624</u>
LIABILITIES						
Accounts Payable	\$24,731			\$24,731		\$3,978
Deferred Income				0	\$196,734	100,300
Trustee Loans Payable				0		0
Due to/from Funds	322,273	(\$329,411)	\$203,872	196,734	(196,734)	0
TOTAL LIABILITIES	<u>347,004</u>	<u>(329,411)</u>	<u>203,872</u>	<u>221,465</u>		<u>104,278</u>
NET ASSETS						
Unrestricted	(247,798)	1,065,100	596,237	1,413,539		1,536,346
TOTAL NET ASSETS	<u>(247,798)</u>	<u>1,065,100</u>	<u>596,237</u>	<u>1,413,539</u>		<u>1,536,346</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$99,206</u>	<u>\$735,689</u>	<u>\$800,109</u>	<u>\$1,635,004</u>	<u>\$1,635,004</u>	<u>\$1,640,624</u>

PINELANDS PRESERVATION ALLIANCE, INC.
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2013
 (WITH COMPARATIVE AUDITED TOTALS FROM SEPTEMBER 30, 2012)

	UNRESTRICTED					2012 TOTAL
	Undesignated	Land, Bldgs, & Equipment	Endowment Fund	Total Unrestricted	Temporarily Restricted	
SUPPORT AND REVENUE						
Support						
Foundations	\$29,500			\$29,500	\$265,729	\$392,128
Corporations	25,844			25,844		17,402
Individuals	246,883			246,883		240,866
Trustees	24,188			24,188		30,581
Total Support	326,415	0		326,415	265,729	680,977
Revenue						
Events and Programs	27,706			27,706		8,805
Sales						
(Gross Revenue \$33,207						
Less Direct Costs 22,665)	10,542			10,542		3,228
Special Projects	79,281			79,281		30,394
Investment Income	121		\$14,890	15,011		14,319
Total Revenue	117,650		14,890	132,540		56,746
TOTAL SUPPORT AND REVENUE	444,065	0	14,890	458,955	265,729	737,723
EXPENSES						
Program Services						
Education & Outreach	222,069	5,780	2,137	229,986	76,326	372,910
Monitoring Public Agencies	146,570	6,560	3,726	156,856	189,403	287,839
Total Program Services	368,639	12,340	5,863	386,842	265,729	660,749
Supporting Services						
Management and General	23,051	450	227	23,728	0	23,729
Fund Raising-General	216,438	4,181	1,327	221,946	0	134,966
Total Supporting Services	239,489	4,631	1,554	245,674	0	158,695
TOTAL EXPENSES	608,128	16,971	7,417	632,516	265,729	819,444
NET ASSETS BEFORE OTHER CHANGES	(164,063)	(16,971)	7,473	(173,561)		(81,721)
OTHER CHANGES IN NET ASSETS						
Unrealized Gains			55,536	55,536		62,842
Realized Capital Losses			(4,782)	(4,782)		28,396
TOTAL OTHER CHANGES IN NET ASSETS			50,754	50,754		91,238
TOTAL CHANGES IN NET ASSETS	(164,063)	(16,971)	58,227	(122,807)		9,517
NET ASSETS AT BEGINNING OF YEAR	(83,735)	1,082,071	538,010	1,536,346		1,526,829
NET ASSETS AT END OF YEAR	(\$247,798)	\$1,065,100	\$596,237	\$1,413,539		\$1,536,346

PINELANDS PRESERVATION ALLIANCE, INC.
STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ (122,807)	\$ 9,517
Adjustments to Reconcile Revenues Over Expenses to Net Cash Provided by Operating Activities:		
Unrealized Gains on Investment	(55,536)	(62,842)
Depreciation	16,971	17,091
Changes in Assets and Liabilities:		
Increase in Accounts Payable	20,753	3,635
Increase/(Decrease) in Deferred Income	<u>96,434</u>	<u>(14,465)</u>
Net Cash Provided/(Used) by Operating Activities	<u>(44,185)</u>	<u>(47,064)</u>
Cash Flows from Investing Activities:		
Investment Increases	(19,362)	(42,397)
Investment Decreases	108,835	91,872
Property and Equipment Acquisitions	<u>(7,350)</u>	<u>0</u>
Net Cash Used by Investing Activities	<u>82,123</u>	<u>49,475</u>
Cash Flows from Financing Activities:		
Trustee Loans	<u>(2,000)</u>	<u>(2,000)</u>
Increase in Cash	35,938	411
Cash and Cash Equivalents as Beginning of Period	<u>63,268</u>	<u>62,857</u>
Cash and Cash Equivalents as End of Period	<u>\$ 99,206</u>	<u>\$ 63,268</u>
Interest Paid	<u>\$ -0-</u>	<u>\$ -0-</u>
Taxes Paid	<u>\$ -0-</u>	<u>\$ -0-</u>

See Independent Auditor's Report
See Notes to the Financial Statements.

PINELANDS PRESERVATION ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2013
(WITH COMPARATIVE AUDITED TOTALS FROM SEPTEMBER 30, 2012)

	Education and Outreach	Monitoring Public Agencies	Total Program Services	Management and General	Fund Raising	Total Supporting Services	2013 TOTAL	2012 TOTAL
Salaries, Wages & Benefits	\$139,830	\$243,801	\$383,631	\$14,834	\$86,849	\$101,683	\$485,314	\$499,876
Payroll Taxes	10,398	18,130	28,528	1,103	6,458	7,561	36,089	38,520
Professional & Consulting Fees	2,145	0	2,145	1,100	164	1,264	3,409	5,449
Volunteer Coordinator	28,116	0	28,116	0	0	0	28,116	28,170
Audit Fee	951	1,657	2,608	101	591	692	3,300	3,000
Office Supplies	4,161	7,254	11,415	442	2,584	3,026	14,441	15,304
Buildings and Property	10,225	7,157	17,382	1,431	1,636	3,067	20,449	19,116
Computer Acquisition & Service	3,132	5,461	8,593	333	1,945	2,278	10,871	8,047
Equipment	782	1,364	2,146	83	486	569	2,715	2,643
Publications & Publicity	36,483	9,718	46,201	0	35,803	35,803	82,004	73,292
Telephone	1,590	2,771	4,361	169	987	1,156	5,517	5,863
Travel	3,942	4,676	8,618	91	458	549	9,167	9,787
Conferences & Meetings	1,070	2,139	3,209	356	0	356	3,565	2,362
Other Events and Projects	17,958	0	17,958	0	0	0	17,958	9,968
Special Projects	22,558	22,558	45,116	2,506	75,541	78,047	123,163	50,127
Educational Programs	9,280	0	9,280	0	0	0	9,280	7,500
Insurance	4,728	8,242	12,970	502	2,936	3,438	16,408	14,935
Investment Expense	2,137	3,726	5,863	227	1,327	1,554	7,417	6,872
Memberships & Subscriptions	1,046	1,045	2,091	0	0	0	2,091	1,522
TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION AND LOSS ON ASSET DISPOSITION	300,532	339,699	640,231	23,278	217,765	241,043	881,274	802,353
Depreciation	5,780	6,560	12,340	450	4,181	4,631	16,971	17,091
TOTAL FUNCTIONAL EXPENSES	\$306,312	\$346,259	\$652,571	\$23,728	\$221,946	\$245,674	\$898,245	\$819,444

PINELANDS PRESERVATION ALLIANCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012

NOTE 1 - ORGANIZATION

Pinelands Preservation Alliance, Inc. (PPA) is a tax exempt charitable and educational organization pursuant to Section 501(c)(3) of the Internal Revenue Code. PPA received approval of its tax exemption from the Internal Revenue Service on August 28, 1989. PPA's primary purpose is to protect and preserve the resources of the New Jersey Pinelands by involving the public and educating them in the values of Pinelands resources and the issues involved in their preservation. In pursuit of this goal, PPA monitors public agency decisions and activities and provides public information concerning such activities for educational purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of PPA have been prepared using the accrual basis of accounting. The significant accounting policies followed are described below:

Property and Equipment

Property and equipment are recorded at cost less depreciation. Depreciation is provided on a straight line basis over the estimated useful lives of the assets.

Cash and Cash Equivalents

PPA considers all highly liquid debt instruments purchased with a maturity of three (3) months or less to be cash equivalents.

Deferred Income

Deferred income represents temporarily restricted funds received during the twelve months that have been specified by the donor to be utilized in the future.

Donated Services

No amounts have been reflected in the financial statements for donated services. PPA generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. PPA receives more than 1,500 volunteer hours per year.

Estimates

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

Contributions

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

PINELANDS PRESERVATION ALLIANCE, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The Organization's Forms 990, Return of Organizations Exempt from Income Tax, for the fiscal years ending 9/30/2013, 9/30/2012 and 9/30/2011 are subject to examination by the IRS, generally for three years after they were filed.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restriction is met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Net Realized Gain/Loss on Investments

Gains and losses on investments are recorded as additions to or deductions from the net assets.

NOTE 3 - INVESTMENTS

Investments are compromised of Mutual Funds and are carried at Market value.

	<u>Market Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
<u>September 30, 2013</u>			
Community Foundation of New Jersey - Mutual Funds	\$ 429,625	\$ 372,792	\$ 56,833
Princeton Area Community Foundations - Mutual Funds	<u>370,484</u>	<u>352,210</u>	<u>18,274</u>
Totals	<u>\$ 800,109</u>	<u>\$ 725,002</u>	<u>\$ 75,107</u>
<u>September 30, 2012</u>			
Community Foundation of New Jersey - Mutual Funds	\$ 432,542	\$ 401,450	\$ 31,092
Princeton Area Community Foundations - Mutual Funds	<u>399,504</u>	<u>411,025</u>	<u>(11,521)</u>
Totals	<u>\$ 832,046</u>	<u>\$ 812,475</u>	<u>\$ 19,571</u>

PINELANDS PRESERVATION ALLIANCE, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2013	2012
Land	\$ 137,740	\$ 137,740
Building and Improvements	656,811	652,161
Equipment/Fixtures/Intangibles	173,060	170,360
	967,611	960,261
 Less: Accumulated Depreciation	 (231,922)	 (214,951)
 Net Property and Equipment	 \$ 735,689	 \$ 745,310

NOTE 5 - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 26, 2014, the date which the financial statements were available to be issued.