

PINELANDS PRESERVATION ALLIANCE, INC.

FINANCIAL STATEMENTS

SEPTEMBER 30, 2011 AND 2010



PINELANDS PRESERVATION ALLIANCE, INC.  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2011 AND 2010

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# *Cowan DiGiacomo & Associates LLC*

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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, 2011 and 2010 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, 2011 and 2010 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

January 31, 2012

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PINELANDS PRESERVATION ALLIANCE, INC.  
STATEMENT OF FINANCIAL POSITION  
SEPTEMBER 30, 2011  
(WITH COMPARATIVE AUDITED TOTALS FROM SEPTEMBER 30, 2010)

	UNRESTRICTED			TEMPORARILY RESTRICTED		2010 TOTAL
	Undesignated	Land, Bldgs. & Equipment	Endowment Fund	Total Unrestricted	Temporarily Restricted	
<b>ASSETS</b>						
Cash and Cash Equivalents	\$62,857			\$62,857	\$62,857	\$135,225
Accounts Receivable				0	0	500
Investments		\$762,401	\$818,678	818,678	818,678	823,846
Property and Equipment, Net (Note 4)				762,401	762,401	755,135
<b>TOTAL ASSETS</b>	<u>\$62,857</u>	<u>\$762,401</u>	<u>\$818,678</u>	<u>\$1,643,936</u>	<u>\$1,643,936</u>	<u>\$1,714,706</u>
<b>LIABILITIES</b>						
Accounts Payable	\$342			\$342	\$342	\$13,955
Deferred Income	2,000			0	114,765	112,269
Trustee Loans Payable	72,491		\$379,035	2,000	2,000	4,500
Due to/from Funds		(\$336,761)		114,765	(114,765)	0
<b>TOTAL LIABILITIES</b>	<u>74,833</u>	<u>(336,761)</u>	<u>379,035</u>	<u>117,107</u>	<u>117,107</u>	<u>130,724</u>
<b>NET ASSETS</b>						
Unrestricted	(11,976)	1,099,162	439,643	1,526,829		1,583,982
<b>TOTAL NET ASSETS</b>	<u>(11,976)</u>	<u>1,099,162</u>	<u>439,643</u>	<u>1,526,829</u>	<u>1,526,829</u>	<u>1,583,982</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$62,857</u>	<u>\$762,401</u>	<u>\$818,678</u>	<u>\$1,643,936</u>	<u>\$1,643,936</u>	<u>\$1,714,706</u>

See Independent Auditor's Report.  
The accompanying notes are an integral part of these financial statements.

PINELANDS PRESERVATION ALLIANCE, INC.  
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2011  
 (WITH COMPARATIVE AUDITED TOTALS FROM SEPTEMBER 30, 2010)

	UNRESTRICTED						
	Undesignated	Land, Bldgs, & Equipment	Endowment Fund	Total Unrestricted	Temporarily Restricted	2011 TOTAL	2010 TOTAL
<b>SUPPORT AND REVENUE</b>							
Support							
Foundations	\$39,250			\$39,250	\$368,504	\$407,754	\$353,013
Corporations	24,280			24,280		24,280	24,644
Individuals	233,461			233,461		233,461	321,904
Trustees	30,980			30,980		30,980	39,054
Total Support	327,971	0		327,971	368,504	696,475	738,615
Revenue							
Refunds	0			0		0	0
Events and Programs	11,066			11,066		11,066	17,972
Sales							
(Gross Revenue \$29,272 Less Direct Costs 19,091)	10,181			10,181		10,181	1,286
Special Projects	6,716		\$18,675	6,716		6,716	15,254
Investment Income	509			19,184		19,184	18,760
Total Revenue	28,472		18,675	47,147		47,147	53,272
TOTAL SUPPORT AND REVENUE	356,443	0	18,675	375,118	368,504	743,622	791,887
<b>EXPENSES</b>							
Program Services							
Education & Outreach	231,278	8,142	2,884	242,304	122,779	365,083	353,532
Monitoring Public Agencies	34,813	5,776	2,796	43,385	229,725	273,110	261,638
Total Program Services	266,091	13,918	5,680	285,689	352,504	638,193	615,170
Supporting Services							
Management and General	4,804	615	205	5,624	16,000	21,624	23,784
Fund Raising-General	120,177	2,824	1,034	124,035	0	124,035	116,316
Total Supporting Services	124,981	3,439	1,239	129,659	16,000	145,659	140,100
TOTAL EXPENSES	391,072	17,357	6,919	415,348	368,504	783,852	755,270
NET ASSETS BEFORE OTHER CHANGES	(34,629)	(17,357)	11,756	(40,230)		(40,230)	36,617
<b>OTHER CHANGES IN NET ASSETS</b>							
Unrealized Gains/(Losses)			(47,322)	(47,322)		(47,322)	45,871
Realized Capital Gains			30,399	30,399		30,399	15,100
TOTAL OTHER CHANGES IN NET ASSETS			(16,923)	(16,923)		(16,923)	60,971
TOTAL CHANGES IN NET ASSETS	(34,629)	(17,357)	(5,167)	(57,153)		(57,153)	97,588
NET ASSETS AT BEGINNING OF YEAR	22,653	1,116,519	444,810	1,583,982		1,583,982	1,486,394
NET ASSETS AT END OF YEAR	(\$11,976)	\$1,099,162	\$439,643	\$1,526,829		\$1,526,829	\$1,583,982

See Independent Auditor's Report.  
 The accompanying notes are an integral part of these financial statements.

PINELANDS PRESERVATION ALLIANCE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ (57,153)	\$ 97,588
Adjustments to Reconcile Revenues Over Expenses to Net Cash Provided by Operating Activities:		
Unrealized (Gains) Losses on Investment	(47,322)	(45,871)
Depreciation	17,357	18,239
Changes in Assets and Liabilities:		
( Increase)/Decrease in Accounts Receivable	500	(500)
Increase/(Decrease) in Accounts Payable	(13,613)	13,224
Increase/(Decrease) in Deferred Income	2,496	14,787
Net Cash Provided/(Used) by Operating Activities	(97,735)	97,467
Cash Flows from Investing Activities:		
Purchases of Investments	(42,154)	(26,606)
Sales of Investments	94,644	20,000
Property and Equipment Acquisitions	(24,623)	(4,776)
Net Cash Used by Investing Activities	27,867	(11,382)
Cash Flows from Financing Activities:		
Trustee Loans	(2,500)	-0-
Decrease in Cash	(72,368)	86,085
Cash and Cash Equivalentents as Beginning of Period	135,225	49,140
Cash and Cash Equivalentenst as End of Period	\$ 62,857	\$ 135,225
Interest Paid	\$ -0-	\$ -0-
Taxes Paid	\$ -0-	\$ -0-

See Independent Auditor's Report

The accompanying notes are an integral part of these financial statements.

PINELANDS PRESERVATION ALLIANCE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2011  
(WITH COMPARATIVE AUDITED TOTALS FROM SEPTEMBER 30, 2010)

	Education and Outreach	Monitoring Public Agencies	Total Program Services	Management and General	Fund Raising	Total Supporting Services	2011 TOTAL	2010 TOTAL
Salaries, Wages & Benefits	\$207,391	\$201,004	\$408,395	\$14,713	\$74,424	\$89,137	\$497,532	\$474,537
Payroll Taxes	16,353	15,850	32,203	1,160	5,868	7,028	39,231	36,668
Professional & Consulting Fees	4,059	0	4,059	1,000	589	1,589	5,648	7,802
Volunteer Coordinator	28,359	0	28,359	0	0	0	28,359	27,147
Audit Fee	1,146	1,111	2,257	82	411	493	2,750	2,575
Office Supplies	6,186	5,999	12,185	440	2,214	2,654	14,839	14,654
Buildings and Property	10,045	7,031	17,076	1,406	1,607	3,013	20,089	20,489
Computer Acquisition & Service	4,799	4,651	9,450	341	1,722	2,063	11,513	10,551
Equipment	911	883	1,794	64	327	391	2,185	2,439
Publications & Publicity	34,189	6,470	40,659	0	28,951	28,951	69,610	65,760
Telephone	2,195	2,128	4,323	156	788	944	5,267	6,304
Travel	4,195	4,976	9,171	97	488	585	9,756	10,843
Conferences & Meetings	770	1,539	2,309	256	0	256	2,565	2,271
Other Events and Projects	10,797	0	10,797	0	0	0	10,797	6,555
Special Projects	6,032	6,032	12,064	670	671	1,341	13,405	19,505
Educational Programs	9,583	0	9,583	0	0	0	9,583	7,459
Insurance	5,899	5,717	11,616	418	2,117	2,535	14,151	14,169
Investment Expense	2,884	2,796	5,680	206	1,034	1,240	6,920	6,430
Memberships & Subscriptions	1,148	1,147	2,295	0	0	0	2,295	873
<b>TOTAL FUNCTIONAL EXPENSES BEFORE DEPRECIATION AND LOSS ON ASSET DISPOSITION</b>	<u>356,941</u>	<u>267,334</u>	<u>624,275</u>	<u>21,009</u>	<u>121,211</u>	<u>142,220</u>	<u>766,495</u>	<u>737,031</u>
Depreciation	8,142	5,776	13,918	615	2,824	3,439	17,357	18,239
<b>TOTAL FUNCTIONAL EXPENSES</b>	<u>\$365,083</u>	<u>\$273,110</u>	<u>\$638,193</u>	<u>\$21,624</u>	<u>\$124,035</u>	<u>\$145,659</u>	<u>\$783,852</u>	<u>\$755,270</u>

See Independent Auditor's Report  
The accompanying notes are an integral part of these financial statements



PINELANDS PRESERVATION ALLIANCE, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

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

PPA receives certain donated professional services. The value of these donated services have not been reflected in the financial statements.

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.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. As permitted by the statement, the Organization does not use fund accounting.

PINELANDS PRESERVATION ALLIANCE, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

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

Contributions

The Organization has also adopted SFAS No. 116, *Accounting for Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending upon the existence or nature of any donor restrictions.

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.

Investments

The Organization has adopted SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, 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 comprised of Mutual Funds and are carried at Market value.

	<u>Market Value</u>	<u>Cost</u>	<u>Unrealized Gain/(Loss)</u>
<u>September 30, 2011</u>			
Community Foundation of New Jersey - Mutual Funds	\$ 422,561	\$ 424,775	\$ (2,214)
Princeton Area Community Foundations - Mutual Funds	<u>396,117</u>	<u>437,175</u>	<u>(41,058)</u>
Totals	<u>\$ 818,678</u>	<u>\$ 861,950</u>	<u>\$ (43,272)</u>
<u>September 30, 2010</u>			
Community Foundation of New Jersey - Mutual Funds	\$ 432,641	\$ 389,661	\$ 42,980
Princeton Area Community Foundations - Mutual Funds	<u>391,205</u>	<u>430,135</u>	<u>(38,930)</u>
Totals	<u>\$ 823,846</u>	<u>\$ 819,796</u>	<u>\$ 4,050</u>

PINELANDS PRESERVATION ALLIANCE, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2011	2010
Land	\$ 137,740	\$ 137,740
Building and Improvements	660,998	638,633
Equipment/Fixtures/Intangibles	161,523	159,265
	960,261	935,638
 Less: Accumulated Depreciation	 (197,860)	 (180,503)
 Net Property and Equipment	 \$ 762,401	 \$ 755,135

NOTE 5 - TRUSTEE LOANS PAYABLE

Trustee Loans Payable represents funds borrowed by PPA from its Trustees in the form of Promissory Notes, with no interest.

The notes are to be repaid at such time as the Executive Committee of the Board of Trustees of PPA determines, in its sole judgment and by a majority vote of the Executive Committee, that PPA is financially able to repay the loans.