

**REPORT ON
PRIDE OF QUAKERTOWN
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

PRIDE OF QUAKERTOWN

Financial Statements

For the Year Ended December 31, 2015

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FINANCIAL SECTION



HUTCHINSON, GILLAHAN & FREEH, P.C.
ACCOUNTANTS, AUDITORS & CONSULTANTS

July 26, 2016

Board of Directors of
Pride of Quakertown
Quakertown, PA

INDEPENDENT AUDITOR'S REPORT

We have audited the statement of assets, liabilities, and net assets – cash basis as of December 31, 2015 of Pride of Quakertown (a nonprofit organization) and the related statements of revenues and expenses – cash basis for the year 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 the cash basis of accounting as described in Note 2, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 from material misstatements.

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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Pride of Quakertown as of December 31, 2015, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Respectfully submitted,

Hutchinson, Gillahan & Freeh, P.C.

July 26, 2016

FINANCIAL STATEMENTS

PRIDE OF QUAKERTOWN
Statement of Assets, Liabilities and Net Assets – Cash Basis
As of December 31, 2015

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 29,515	
Total Current Assets		<u>29,515</u>
TOTAL ASSETS		<u>\$ 29,515</u>

LIABILITIES AND NET ASSETS

LIABILITIES

\$ -

UNRESTRICTED NET ASSETS

Unrestricted	\$ 29,515	
Temporarily Restricted	-	
Permanently Restricted	-	
Total Net Assets		<u>29,515</u>
Total Liabilities and Net Assets		<u>\$ 29,515</u>

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

PRIDE OF QUAKERTOWN
Statement of Revenues and Expenses – Cash Basis
December 31, 2015

<u>REVENUES</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Fundraising Income	\$ 26,987	\$ -	\$ -	\$ 26,987
Donations	14,318	-	-	14,318
Sponsorship Income	4,750	-	-	4,750
Total Revenue	46,055	-	-	46,055
<u>EXPENSES</u>				
Fundraising Events	7,292	-	-	7,292
Scholarship Expenses	29,938	-	-	29,938
Management Expenses	2,292	-	-	2,292
Marketing Expenses	893	-	-	893
Donations	635	-	-	635
TOTAL EXPENSES	41,050	-	-	41,050
Excess of Revenues over Expenses	\$ 5,005	\$ -	\$ -	\$ 5,005
Net Assets, January 1, 2015	24,510	-	-	24,510
Net Assets, December 31, 2015	\$ 29,515	\$ -	\$ -	\$ 29,515

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

PRIDE OF QUAKERTOWN
Notes to Basic Financial Statements
December 31, 2015

Note 1 – Nature of Operation

The Pride of Quakertown is a Pennsylvania Corporation with tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1954 formed to provide scholarships for children under the age of 18, to participate in co-curricular activities within the Quakertown area community. The Organization has developed partnerships with a variety of recreational program leaders to determine the best way to include scholarship recipients into their desired program. The Organization is supported through fundraising events, donations, and sponsorship income.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements on the cash basis of accounting. Under the cash basis of accounting revenues are recognized when received rather than when earned and expenses are recognized when paid rather than incurred. Consequently, fixed assets, debt, accounts receivable, trade accounts payable, and accrued expenses are not included in the financial statements as of December 31, 2015.

Financial Statement Presentation

In accordance with the FASB accounting standards codification, the Organization reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Income Taxes

The Organization is exempt from Federal 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.

Contributions

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The Cash and Cash Equivalents balance consists of:

Cash – Commercial Banks	<u>\$ 29,515</u>
TOTAL	<u>\$ 29,515</u>

At December 31, 2015, the carrying amounts of the Organization's cash and equivalents at commercial banks were \$29,515 and the bank balances were \$29,981, which is covered by Federal Deposit Insurance. The difference between the carrying amount and the bank balance is outstanding checks.

Note 3 – Subsequent Events

Subsequent events have been evaluated through July 26, 2016, the date which the financial statements were available to be issued.