

FRIENDS OF FONDATION DE FRANCE, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Friends of Fondation De France, Inc.

We have audited the accompanying financial statements of Friends of Fondation De France, Inc. (a nonprofit corporation), which comprise the statements of financial position 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 Fondation de France, Inc. 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.

Lotz + Carr, LLP

New York, New York
June 20, 2016

FRIENDS OF FONDATION DE FRANCE, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Assets		
Cash	\$ 515,374	\$ 390,640
Unconditional promises to give (Notes 1c and 3)		
Restricted	58,125	2,380
Unrestricted	<u>3,059</u>	<u>-</u>
Total Assets	<u>\$ 576,558</u>	<u>\$ 393,020</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Net Assets		
Unrestricted	164,973	170,946
Temporarily restricted (Note 2)	<u>403,585</u>	<u>214,074</u>
Total Net Assets	<u>568,558</u>	<u>385,020</u>
Total Liabilities and Net Assets	<u>\$ 576,558</u>	<u>\$ 393,020</u>

See notes to financial statements.

FRIENDS OF FONDATION DE FRANCE, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Changes in Unrestricted Net Assets		
Revenue and Other Support		
Contributions (Note 1a)	\$ 65,307	\$ 206,670
Net assets released from restrictions		
Satisfaction of program restrictions	<u>1,044,932</u>	<u>2,156,508</u>
Total Revenue and Other Support	<u>1,110,239</u>	<u>2,363,178</u>
Expenses		
Program Services - Grants	1,057,949	2,336,044
Supporting Services		
Management and general	<u>58,263</u>	<u>58,074</u>
Total Expenses	<u>1,116,212</u>	<u>2,394,118</u>
Decrease in Unrestricted Net Assets	<u>(5,973)</u>	<u>(30,940)</u>
Changes in Temporarily Restricted Net Assets		
Contributions (Note 1a)	1,234,443	2,105,237
Foreign currency exchange gain	-	8
Net assets released from restrictions	<u>(1,044,932)</u>	<u>(2,156,508)</u>
Increase (Decrease) in Temporarily Restricted Net Assets	<u>189,511</u>	<u>(51,263)</u>
Increase (decrease) in net assets	183,538	(82,203)
Net assets, beginning of year	<u>385,020</u>	<u>467,223</u>
Net Assets, End of Year	<u><u>\$ 568,558</u></u>	<u><u>\$ 385,020</u></u>

See notes to financial statements.

FRIENDS OF FONDATION DE FRANCE, INC.

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 183,538	\$ (82,203)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in unconditional promises to give	<u>(58,804)</u>	<u>6,563</u>
Net Cash Provided (Used) By Operating Activities -		
Net Increase (Decrease) in Cash	124,734	(75,640)
Cash, beginning of year	<u>390,640</u>	<u>466,280</u>
 Cash, End of Year	 <u>\$ 515,374</u>	 <u>\$ 390,640</u>

See notes to financial statements.

FRIENDS OF FONDATION DE FRANCE, INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015 AND 2014****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Friends of Fondation De France, Inc. is a not-for-profit organization, classified as a public charity that was incorporated under the laws of the State of New York. The Organization was organized to provide charitable and educational activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986. This shall include conducting activities that: (1) Support or benefit Fondation de France, a foreign organization that meets the requirements of Code Section 501(c)(3) and is the equivalent of a U.S. public charity. In performing these functions, the Organization will conduct any activities that may be necessary, useful or desirable for furtherance or accomplishment of the foregoing purposes, including but not limited to the support of education, arts, culture, the environment and relief of the poor and needy, (2) Cooperate with other charitable organizations for any of the foregoing purposes, and (3) May be necessary, useful, and desirable for the furtherance or accomplishment of the foregoing purposes.

In 2015, the Organization had more than 1,100 contributors, with one contributor representing approximately 20% of the contribution revenue. In 2014, the Organization had sixty eight contributors, with five contributors representing approximately 67% of the contribution revenue. The large increase in the number of contributors in 2015 was due to an outpouring of support following the Paris terrorist attacks.

Fundraising activities are conducted by the Board of Directors and other volunteers.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

c - Contributions and Unconditional Promises to Give

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

Contributions are recognized when the donor makes a promise to give to the Organization, that is in substance, unconditional. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Generally, it is the Organization's policy to withhold 5% for each contribution (up to \$15,000 per payment), which is used towards management and general expenses.

FRIENDS OF FONDATION DE FRANCE, INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015 AND 2014****Note 1 - Organization and Summary of Significant Accounting Policies (continued)****d - Financial Statement Presentation**

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.

e - Estimates

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

f - Tax Status

The Organization is a not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity described in Section 509(a)(1) which is not a supporting organization and which is not a private foundation.

g - Subsequent Events

The Organization has evaluated subsequent events through June 20, 2016, the date that the financial statements are considered available to be issued.

Note 2 - Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for pending grants.

Note 3 - Unconditional Promises to Give

Unconditional promises to give are due in less than one year. Uncollectible promises are expected to be insignificant.

Note 4 - Related Party

Two directors of the Organization are also employees of Fondation de France.

FRIENDS OF FONDATION DE FRANCE, INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2015 AND 2014****Note 5 - Functional Allocation of Expenses**

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.