

VAN CORTLANDT PARK ALLIANCE

FINANCIAL STATEMENTS

JUNE 30, 2020

VAN CORTLANDT PARK ALLIANCE
FINANCIAL STATEMENTS
JUNE 30, 2020

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9

STEPHEN FRANCIOSA CPA
ACCOUNTANTS + CONSULTANTS

213 FORDHAM STREET
CITY ISLAND, NEW YORK 10464

(718)885-9191
FAX: (718)885-3131
EMAIL: SFRANCIOSA@CPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Van Cortlandt Park Alliance

I have audited the accompanying financial statements of Van Cortlandt Park Alliance, a nonprofit organization, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flow 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Van Cortlandt Park Alliance, a nonprofit organization, as of June 30, 2020, and the results of its activities and changes in net assets, of its functional expenses and of its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

City Island, New York
December 9, 2020



VAN CORTLANDT PARK ALLIANCE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

ASSETS

Current Assets	
Cash and cash equivalents	\$ 243,167
Grants receivable	274,990
Pledges receivable	26,192
Prepaid expenses	9,296
Total Current Assets	<u>553,645</u>
 Total Assets	 <u>\$ 553,645</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accrued expenses	\$ <u>29,253</u>
Total Current Liabilities	<u>29,253</u>
 Net assets: with donor restrictions	 500,243
without donor restrictions	24,149
Total Net Assets	<u>524,392</u>
 Total Liabilities and Net Assets	 <u>\$ 553,645</u>

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2020

	With Donor Restrictions	Without Donor Restrictions	Total
Income			
Grants - Foundation and organizations	\$ 350,573	\$ 1,000	\$ 351,573
- Government	192,054	0	192,054
- Corporation	46,500	35,126	81,626
- Corporation - match	0	16,312	16,312
- Corporation - membership	0	48,262	48,262
- Paycheck protection program	0	88,997	88,997
Board member	0	16,953	16,953
Contributions	0	15,639	15,639
Membership	0	14,419	14,419
Fundraising and other income	0	64,432	64,432
In-kind contributions	0	67,435	67,435
Interest	0	730	730
Net assets released from donor restrictions	<u>(239,636)</u>	<u>239,636</u>	<u>0</u>
Total Income	<u>349,491</u>	<u>608,941</u>	<u>958,432</u>
Expenses			
Program	0	428,676	428,676
Management and General	0	197,823	197,823
Fundraising	0	147,811	147,811
Total Expenses	<u>0</u>	<u>774,310</u>	<u>774,310</u>
Change in net assets before opening net assets released from donor restrictions	349,491	(165,369)	184,122
Opening net assets released from donor restrictions	<u>(186,923)</u>	<u>186,923</u>	<u>0</u>
Net changes in net assets	162,568	21,554	184,122
Net assets - July 1, 2019	<u>337,675</u>	<u>2,595</u>	<u>340,270</u>
Net assets - June 30, 2020	<u>\$ 500,243</u>	<u>\$ 24,149</u>	<u>\$ 524,392</u>

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Expenses					Supporting Services		
	Cultural	Environmental Education	Field and Trails	Natural Areas	Total Program Expenses	Management and General	Fundraising	Total Expenses
Staff and intern compensation	\$ 3,946	\$ 154,229	\$ 13,532	\$ 127,801	\$ 299,508	\$ 93,870	\$ 73,048	\$ 466,426
Payroll taxes and employee benefits	587	17,022	3,522	22,892	44,023	9,190	7,044	60,257
Consultants	870	6,091	1,167	7,586	15,714	2,163	51,837	69,714
Professional fees	0	0	0	0	0	21,675	0	21,675
Rent expense	210	6,077	1,257	8,172	15,716	2,739	2,515	20,970
Program and related supplies	0	11,031	2,500	5,516	19,047	0	0	19,047
Marketing, advertising, and website	89	2,614	536	3,481	6,720	1,660	1,071	9,451
Computer software and subscriptions	0	600	0	100	700	8,490	0	9,190
Board, liability, and volunteer insurance	55	1,589	329	2,580	4,553	1,461	658	6,672
Event expenses	0	0	0	0	0	86	5,945	6,031
Curriculum development	3,500	0	0	0	3,500	0	0	3,500
Telephone and internet	30	880	182	1,183	2,275	394	364	3,033
Payroll expense and processing	27	776	161	1,044	2,008	348	321	2,677
Office supplies and expenses	21	595	123	800	1,539	365	246	2,150
Postage	0	0	0	0	0	1,577	14	1,591
Staff travel, development, and meetings	19	11	0	0	30	847	123	1,000
Printing and publications	369	0	0	0	369	183	280	832
Finance and bank service charges	0	96	0	0	96	549	0	645
In-kind expenses	0	1,794	0	10,177	11,971	9,672	4,200	25,843
In-kind pro-bono expenses					0	41,592	0	41,592
Other	11	350	72	474	907	962	145	2,014
TOTAL EXPENSES	\$ 9,734	\$ 203,755	\$ 23,381	\$ 191,806	\$ 428,676	\$ 197,823	\$ 147,811	\$ 774,310

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

Cash Flows From Operating Activities	
Net change in net assets	\$ 184,122
Adjustments to reconcile change in net assets	
to cash provided by operating activities:	
(Increase) in grants receivable	(50,629)
(Increase) in pledges receivable	(18,522)
(Increase) in prepaid expenses	(7,474)
Increase in accounts payable and accrued expenses	<u>12,851</u>
Net Cash Provided By Operating Activities	<u>120,348</u>
Cash Flows From Financing Activities	
Net payments on simple payable	<u>(220)</u>
Net Cash (Used In) Financing Activities	<u>(220)</u>
Net decrease in cash and cash equivalents	120,128
Cash and cash equivalents - July 1, 2019	<u>123,039</u>
Cash and cash equivalents - June 30, 2020	<u>\$ 243,167</u>

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies

Nature of Activities

Van Cortlandt Park Alliance (the "Organization" or "VCPA") is a 501(c)3 organization that preserves, supports, and promotes the recreational, ecological, and historical value of Van Cortlandt Park.

Program Expenses and Related Supplies

In order to provide environmental education and stewardship programs for the community, Van Cortlandt Park Alliance (VCPA) must purchase supplies which are funded through various grants. This year, these items included: tools and supplies for Urban Eco-Teen Internships, supplies for the Youth Run Farm Stand including a weekly produce order, supplies, including plants, for our natural area's restoration and research projects, and supplies for volunteer programs including tools, gloves, and snacks. VCPA will be able to use several of these items for programs in future years.

Basis of Accounting

The financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities. The accrual basis recognizes income when earned and expenses when incurred. The Organization is required to report its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Board-designated funds represent unrestricted funds which may, from time to time, be designated by the board of directors for specific purposes.

Net Assets with Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents consists of all cash, on hand and in bank accounts, and any highly liquid financial instruments purchased with a maturity of three months or less.

VAN CORTLANDT PARK ALLIANCE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual events.

Compensated Absences

Vacation and sick pay are considered expenditures in the year paid. Upon termination, an employee is compensated for any accrued but unpaid vacation pay.

Tax Exempt Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization does not believe its financial statements contain any uncertain tax positions.

New Accounting Pronouncements:

In June 2018, the FASB issued ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made ("ASU 2018-08"), with the purpose of improving consistency in reporting whether a transfer of assets is a contribution or an exchange transaction. ASU 2018-08 clarifies how an entity determines whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of FASB ASC Topic 958 or as exchange (reciprocal) transactions subject to other guidance by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. Additionally, ASU 2018-08 requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and whether a right of return of assets transferred exists. ASU 2018-08 requires either full retrospective application to all periods presented or retrospective application with a cumulative effect on the prior reporting periods to beginning net assets in the year the standard becomes effective. The Organization adopted ASU 2018-08 for the year ended June 30, 2020 using the cumulative effect approach. The adoption of ASU 2018-08 did not have a material impact on the financial statements.

In June 2020, the FASB issued ASU 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) ("ASU 2020-05"). The amendments in ASU 2020-05 defer, for one year, the required effective date of the new revenue recognition standards as originally prescribed in ASU 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09") for certain entities that have not yet issued their financial statements (or made their financial statements available for issuance) reflecting the adoption of ASU 2014-09. Those entities may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019, and for interim reporting periods within annual reporting periods beginning after December 15, 2020. Those entities may elect to follow the original effective date in ASU 2014-09 which is annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. The Organization has elected to defer implementation of ASU 2014-09 for one year.

VAN CORTLANDT PARK ALLIANCE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2020

Note 2 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets at June 30, 2020 available to meet general expenditures over the next twelve months:

	<u>2020</u>
Financial assets, at year-end:	
Cash and cash equivalents	\$ 243,167
Grants receivable	274,990
Pledges receivable	<u>26,192</u>
Total financial assets available to meet general expenditures within one year	<u>\$ 544,349</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

Note 3 - Lease Commitment

The Organizations's office is under a 5 year lease ending on October 31, 2021. The lease is subject to increases. The estimated minimum lease commitment is as follows:

For the year ending June 30, 2021	18,000
For the period July 1, 2021 – October 31, 2021	6,000

Note 4 - In-Kind Contributions

For the years ended June 30, 2020, in-kind contributions are as follows:

Professional fees	\$41,592
Program support	11,971
Services and space	9,672
Event supplies	<u>4,200</u>
	<u>\$67,435</u>

The Organization received in-kind pro-bono support from professional firms totaling \$41,592, including legal services. Professional firms assisted with the completion of the merger process and began drafting a license agreement to be negotiated with NYC Parks in the near future. [The Organization anticipates receiving pro-bono legal services in the next fiscal year.]

Note 5 - Volunteers

Volunteers contributed approximately 3,500 hours for the year ended June 30, 2020. These donated services of approximately \$52,500 have not been reflected in the statement of activities changes in net assets.

Note 6 - Pension Expense

The Organization instituted a contributory Simple IRA plan. Pension expense included in employer benefits was \$9,762 for the year ending June 30, 2020.

VAN CORTLANDT PARK ALLIANCE
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2020

Note 7 - Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services directly benefited. Most expenses are allocated based upon time and effort of staff. Management and general expenses include those expenses that are not directly identifiable with any specific program but provide for the overall support and direction of the Organization.

Note 8 - Grant Income – Paycheck Protection Program

On April 16, 2020, the Organization received a Paycheck Protection Program (“PPP”) loan of \$88,997 granted by the United States Small Business Administration (“SBA”) under the Coronavirus Aid Relief, and Economic Security Act (“CARES Act”). The Organization considers PPP loans to be conditional contributions, with a right-of return in the form of an obligation to be repaid if barriers to entitlement are not met. These barriers include incurring qualifying expenses and maintaining certain levels of employee headcount and salary during a measurement period. The Organization considers reviews of its application for forgiveness by the lender and the SBA as well as potential audits to be administrative in nature rather than barriers to entitlement. During the year ended June 30, 2020 the Organization recognized \$88,997 as contribution income based on the amount of qualifying expenditures incurred and employee headcount and salary levels maintained through June 30, 2020. At the time of issuance of the financial statements, notice of forgiveness had not been received from the lender. Any portion of the loan that must be repaid will bear interest at a rate of 1% per annum.

Note 9 - Related Party

Van Cortlandt Park Alliance is the result of a merger of two pre-existing organizations: the Friends of Van Cortlandt Park and the Van Cortlandt Park Conservancy.

Both Van Cortlandt Park Alliance (VCPA) and Van Cortlandt Park Conservancy (VCPC) were affiliated with the City of New York’s Parks and Recreation Department in the year ending June 30, 2020. As such, \$9,672 of VCPA’s and \$125,721 of VCPC’s expenses in 2020 were for an allocation of shared space, equipment usage, and vehicle usage donated by the Parks and Recreation Department. These same amounts are also included in income as in-kind contributions on their respective financial statements. VCPC also received donated time for park maintenance and administrative tasks from the Parks and Recreation Department and outside volunteers valued at approximately \$79,700 in 2020.

In April 2020, the new Van Cortlandt Park Administrator began her tenure, serving in a dual role as Executive Director of the Van Cortlandt Park Alliance. At that time, VCPA became the sole nonprofit organization affiliated with the City of New York Parks & Recreation Department.

Note 10 - Date of Management’s Review

In preparing the financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through December 9, 2020, the date that the financial statements were available to be issued.