

VAN CORTLANDT PARK ALLIANCE

FINANCIAL STATEMENTS

JUNE 30, 2021

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FINANCIAL STATEMENTS
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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	6-11

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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, 2021, 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

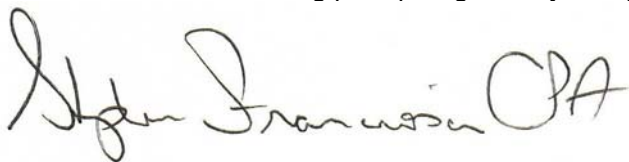
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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, 2021, 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
March 1, 2022

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021

ASSETS

Current Assets	
Cash and cash equivalents	\$ 199,413
Grants receivable	199,592
Pledges receivable	14,264
Prepaid expenses	6,101
Total Current Assets	<u>419,370</u>
 Total Assets	 <u>\$ 419,370</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accrued expenses	\$ <u>36,200</u>
Total Current Liabilities	<u>36,200</u>
 Net assets:	
with donor restrictions	260,052
without donor restrictions	<u>123,118</u>
Total Net Assets	<u>383,170</u>
 Total Liabilities and Net Assets	 <u>\$ 419,370</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, 2021

	With Donor Restrictions	Without Donor Restrictions	Total
Income			
Grants - Foundation and organizations	\$ 206,040	\$ 80,580	\$ 286,620
- Government	0	101,750	101,750
- Corporation	33,480	31,383	64,863
- Corporation - match	0	2,533	2,533
- Corporation - membership	0	32,213	32,213
Board member	0	14,766	14,766
Contributions	0	43,235	43,235
Membership	0	43,077	43,077
Fundraising and other income	0	96,062	96,062
In-kind contributions	0	210,600	210,600
Interest	0	51	51
Net assets released from donor restrictions	<u>(86,205)</u>	<u>86,205</u>	<u>0</u>
Total Income	<u>153,315</u>	<u>742,455</u>	<u>895,770</u>
Expenses			
Program - Cultural	0	26,775	26,775
Program - Environmental Education	0	273,992	273,992
Program - Fields and Trails	0	93,156	93,156
Program - Natural Areas	0	313,906	313,906
Management and General	0	189,716	189,716
Fundraising	<u>0</u>	<u>139,447</u>	<u>139,447</u>
Total Expenses	<u>0</u>	<u>1,036,992</u>	<u>1,036,992</u>
Change in net assets before opening net assets released from donor restrictions	153,315	(294,537)	(141,222)
Opening net assets released from donor restrictions	<u>(393,506)</u>	<u>393,506</u>	<u>0</u>
Net changes in net assets	(240,191)	98,969	(141,222)
Net assets - July 1, 2020	<u>500,243</u>	<u>24,149</u>	<u>524,392</u>
Net assets - June 30, 2021	<u>\$ 260,052</u>	<u>\$ 123,118</u>	<u>\$ 383,170</u>

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Expenses				Total Program Expenses	Supporting Services		Total Expenses
	Cultural	Environmental Education	Field and Trails	Natural Areas		Management and General	Fundraising	
Staff and intern compensation	\$ 4,102	\$ 196,626	\$ 65,864	\$ 148,026	\$ 414,618	\$ 26,732	\$ 24,010	\$ 465,360
Payroll taxes and employee benefits	553	25,142	18,748	8,862	53,305	13,455	3,330	70,090
Consultants	16,580	4,000	0	0	20,580	6,208	62,475	89,263
Professional fees	0	0	0	0	0	30,650	0	30,650
Rent expense	126	6,430	1,210	8,220	15,986	2,648	2,496	21,130
Program and related supplies	4,519	21,635	5,863	33,841	65,858	0	0	65,858
Marketing, advertising, and website	190	940	165	1,120	2,415	724	9,197	12,336
Computer software and subscriptions	34	3,208	327	2,323	5,892	716	11,971	18,579
Board, liability, and volunteer insurance	38	1,945	366	2,487	4,836	801	755	6,392
Event expenses	355	3,094	0	43	3,492	1,739	18,976	24,207
Telephone and internet	20	1,007	190	1,288	2,505	415	391	3,311
Payroll expense and processing	23	1,147	216	1,467	2,853	472	445	3,770
Office supplies and expenses	12	623	118	794	1,547	257	241	2,045
Postage	9	474	89	607	1,179	195	184	1,558
Staff travel, development, and meetings	214	153	0	183	550	1,322	0	1,872
Printing and publications	0	0	0	0	0	0	16	16
Finance and bank service charges	0	64	0	0	64	1,381	0	1,445
In-kind expenses	0	7,504	0	104,645	112,149	93,504	4,947	210,600
Other	0	0	0	0	0	8,497	13	8,510
TOTAL EXPENSES	\$ 26,775	\$ 273,992	\$ 93,156	\$ 313,906	\$ 707,829	\$ 189,716	\$ 139,447	\$ 1,036,992

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows From Operating Activities	
Net change in net assets	\$ (141,222)
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Decrease in grants receivable	75,398
Decrease in pledges receivable	11,928
Decrease in prepaid expenses	3,195
Increase in accounts payable and accrued expenses	<u>6,947</u>
Net Cash Used In Operating Activities	<u>(43,754)</u>
Net decrease in cash and cash equivalents	(43,754)
Cash and cash equivalents - July 1, 2020	<u>243,167</u>
Cash and cash equivalents - June 30, 2021	<u>\$ 199,413</u>

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 1 - Nature of the Organization

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, in Bronx, New York. The Organization's revenues are derived primarily from grants, contributions, memberships, fundraising events and fee for services for educational programs.

Note 2 - Summary of Significant Accounting Policies

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 satisfied 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.

Management Estimates

The preparation of financial statements in accordance 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, results could differ from those estimates.

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.

Receivables

Receivables that are expected to be collected within one year are recorded at their net realizable value. Receivables that are expected to be collected in future years are recorded at the present value of estimated future cash flows. All receivables are expected to be received within one year and as such have been stated at their net realizable value with no allowance for uncollectable grants and pledges.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Donations and Promises to Give

Donations and promises to give are recorded as revenue when either unsolicited cash is received or when donors make a promise to give. All donations are considered to be available for unrestricted use unless specifically restricted by the donor. 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.

Donations of property and services are recorded at the fair market value of the property and services at the time of contribution.

Revenue Recognition

The Organization recognizes contributions when cash, a noncash asset, or an unconditional promise to give is received. Conditional promises to give, which have a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to the meeting of these conditions are reported as deferred revenue in the statement of financial position. As of June 30, 2021 the Organization did not have any conditional pledges that were not recognized.

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as support with donor restrictions and increases in net assets with donor restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increases in net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization may receive grants from governmental agencies. Depending upon the terms of the grant, it can be either an exchange transaction or a contribution. In accordance with grant provisions, the grant can be an expense reimbursement grant which requires that approved expenses be incurred prior to reimbursement by the grantor. Other grants permit advances of grant funds or full payment of grant funds at the start of the grant. If the grant is an exchange type grant, all unreimbursed expenses, for approved purposes, as of year-end are recorded as receivables and any unexpended advances are recorded as refundable advances. If the grant is a contribution, it is recognized in accordance with the contribution recognition policy described above.

Program service revenue relates to fees received in exchange for program services. Revenue is recognized when the program service is provided. Any revenue received which has not been earned is recorded as deferred revenue.

Fees for service revenue is recognized based on approved rates when the Organization satisfies their performance obligations by providing services to individuals. Performance obligations for all the Organization's services are provided and consumed at a point in time, not over time, and therefore these types of fees allocated to performance obligations are not left unsatisfied or partially unsatisfied at the end of the reporting period.

Membership dues revenue is recognized when received. The Organization satisfies its performance obligation and members receive and consume membership benefits over a one-year time frame.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 2 - Summary of Significant Accounting Policies (continued)

Concentration of Credit Risk

The Organization deposits money with credit worthy institutions that are insured with the Federal Deposit Insurance Corporation which limits the amount of coverage, currently, to \$250,000 in aggregate. The Organization occasionally maintains deposits which exceed this FDIC limit. The risk is managed by maintaining all deposits in high quality financial institutions.

Tax Status

The Organization is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code").

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization did not conduct unrelated business activities during the year ended June 30 2021.

As a result, no provision for income taxes has been made in these financial statements.

The Organization files an IRS form 990 and respective state tax returns. These tax returns are subject to review and examination by federal and state taxing authorities. The Organization has determined that it has registered in all states where it is required to be registered.

Change in Accounting Principle

During the year ending June 30, 2021, the Organization adopted FASB ASU 2014-09 Revenue from Contracts with Customers using the full retrospective approach. Analysis of various provisions of the standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to previously issued financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

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.

Program Expenses and Related Supplies

In order to provide environmental education and stewardship programs for the community the Organization 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 shirts, tools, gloves, and snacks. The Organization will be able to use several of these items for programs in future years.

Note 3 - Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are primarily accrued payroll expenses.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 4 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets at June 30, 2021 available to meet general expenditures over the next twelve months:

Financial assets, at year-end:	
Cash and cash equivalents	\$ 199,413
Grants receivable	199,592
Pledges receivable	<u>14,264</u>
Total financial assets	413,269
Less amounts not available for general use:	
Restricted by donor with time or purpose restrictions	<u>(260,052)</u>
Total financial assets available to meet general expenditures within one year	\$ <u>153,217</u>

The Organization regularly monitors liquidity required to meet its general expenditures, liabilities, and other obligations as they become due.

Note 5 - Commitment and Contingencies

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

For the period July 1, 2021 – October 31, 2021	\$6,000
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The Organization is in the process of renewing this lease.

The Organization has store credit cards with Pitney Bowes with a \$10,000 spending limit and Staples with an indeterminable spending limit.

Note 6 - 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. Accrued but unpaid vacation is estimated to be \$12,000 as of June 30, 2021. This amount has not been reflected in the financial statement.

Note 7 - Disaggregation of Revenue

The following table disaggregates the Organization's revenue based on the timing of satisfaction of performance obligations for the year ending June 30, 2021.

Performance obligations satisfied over time	\$ 282,597
Performance obligations satisfied at a point in time	<u>402,522</u>
Total performance obligations	\$ <u>685,119</u>

Note 8 - Volunteers

Volunteers contributed 4,545 hours for the year ended June 30, 2021. These donated services are valued at \$74,993. Even though these donated services are valuable to the Organization, and help advance its mission, no amounts have been reflected in the financial statement for volunteer hours.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 9 - In-Kind Contributions

Donated services are reported in the financial statements at fair value, if those services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and that would typically be purchased if not provided by donation. The Organization benefits from volunteer services in program, fundraising, and administrative duties from Board members and other volunteers.

For the year ended June 30, 2021, in-kind contributions are as follows:

Professional fees	\$ 72,442
Program support	112,149
Services and space	21,062
Event supplies	4,947
	<u>\$ 210,600</u>

The Organization also received in-kind pro-bono support from professional firms including legal services, accounting, and architectural design. Professional firms assisted with drafting a license agreement to be negotiated with NYC Parks in the near future. Even though this pro-bono support is valuable to the Organization, and help advance its mission, no amounts have been reflected in the financial statement. The Organization anticipates receiving pro-bono legal services in the next fiscal year.

Note 10 - Pension Expense

The Organization instituted a contributory Simple IRA plan. Pension expense included in employer benefits was \$6,140 for the year ending June 30, 2021.

Note 11 - 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.

On December 18, 2020, the Organization had received full forgiveness on this loan.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Note 12 - Related Party

Van Cortlandt Park Alliance (“VCPA”) works in close partnership with New York City’s Department of Parks and Recreation (“NYC Parks”) to administer Van Cortlandt Park.

In the fiscal year ending June 30, 2021, NYC Parks donated \$196,146 to VCPA in in-kind contributions (See Note 9). Donated services include shared office space, equipment, vehicle usage, and personnel services which include the executive director’s salary. The Executive Director of the Van Cortlandt Park Alliance holds a dual role as the Van Cortlandt Park Administrator.

Note 13 - Subsequent Events

In preparing the financial statements, the organization has evaluated events and transactions for potential recognition or disclosure through March 1, 2022, the date that the financial statements were available to be issued.

On March 18, 2020, in response to the Coronavirus pandemic, then New York State Governor, Andrew Cuomo, announced his “New York State on PAUSE” executive order, a 10-point policy to assure safety for everyone, which substantially closed all operations within New York State including those providing childcare and educational services. The long-term impact of the pandemic on the Organization’s operating results is uncertain and the financial impact of this matter cannot be estimated at this time.