

VAN CORTLANDT PARK ALLIANCE

FINANCIAL STATEMENTS

JUNE 30, 2022

VAN CORTLANDT PARK ALLIANCE
FINANCIAL STATEMENTS
JUNE 30, 2022

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-12

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

Board of Directors
Van Cortlandt Park Alliance

Opinion

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, 2022, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Van Cortlandt Park Alliance as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Van Cortlandt Park Alliance and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Van Cortlandt Park Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Van Cortlandt Park Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Van Cortlandt Park Alliance's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

A handwritten signature in black ink that reads "Stephen J. Francis CPA". The signature is written in a cursive style with a large initial "S".

City Island, New York
February 15, 2023

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Current Assets	
Cash and cash equivalents	\$ 63,443
Grants receivable	287,590
Pledges receivable	16,639
Prepaid expenses	<u>7,897</u>
Total Current Assets	<u>375,569</u>
 Total Assets	 <u>\$ 375,569</u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable and accrued expenses	\$ <u>35,074</u>
Total Current Liabilities	<u>35,074</u>
 Net assets: with donor restrictions	 310,801
without donor restrictions	<u>29,694</u>
Total Net Assets	<u>340,495</u>
 Total Liabilities and Net Assets	 <u>\$ 375,569</u>

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	With Donor Restrictions	Without Donor Restrictions	Total
Income			
Grants - Foundation and organizations	\$ 63,670	\$ 136,846	\$ 200,516
- Government	119,500	148,828	268,328
- Corporation	55,000	30,360	85,360
- Corporation - match	0	778	778
- Corporation - membership	0	19,383	19,383
Contributions	0	41,144	41,144
Membership	0	37,058	37,058
Fundraising	0	123,525	123,525
Program and other income	0	12,100	12,100
In-kind contributions	0	402,481	402,481
Interest	0	16	16
Net assets released from donor restrictions	(31,737)	31,737	0
Total Income	206,433	984,256	1,190,689
Expenses			
Program	0	918,345	918,345
Management and General	0	176,901	176,901
Fundraising	0	138,118	138,118
Total Expenses	0	1,233,364	1,233,364
Change in net assets before opening net assets released from donor restrictions	206,433	(249,108)	(42,675)
Opening net assets released from donor restrictions	(155,684)	155,684	0
Net changes in net assets	50,749	(93,424)	(42,675)
Net assets - July 1, 2021	260,052	123,118	383,170
Net assets - June 30, 2022	\$ 310,801	\$ 29,694	\$ 340,495

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	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	\$ 4,036	\$ 179,668	\$ 47,780	\$ 155,284	\$ 386,768	\$ 35,182	\$ 20,182	\$ 442,132
Payroll taxes and employee benefits	666	28,074	9,467	21,343	59,550	4,575	3,332	67,457
Consultants	21,374	84	71	2,697	24,226	161	58,736	83,123
Professional fees	0	0	0	0	0	43,780	0	43,780
Rent expense	127	6,439	1,212	8,231	16,009	2,651	2,499	21,159
Program and related supplies	3,762	15,458	37,123	19,124	75,467	0	0	75,467
Marketing, advertising, and website	741	0	0	151	892	783	2,686	4,361
Computer software and subscriptions	77	957	77	177	1,288	5,100	154	6,542
Board, liability, and volunteer insurance	46	2,354	443	3,010	5,853	969	914	7,736
Event expenses	2,058	0	0	1,566	3,624	13,841	33,601	51,066
Telephone and internet	18	922	174	1,179	2,293	380	358	3,031
Payroll expense and processing	28	1,436	270	1,836	3,570	591	557	4,718
Office supplies and expenses	24	1,232	232	1,575	3,063	507	478	4,048
Postage	15	737	139	943	1,834	304	286	2,424
Staff travel, development, and meetings	0	274	0	0	274	1,698	0	1,972
Printing and publications	0	0	0	0	0	0	0	0
Finance and bank service charges	0	0	0	0	0	2,682	0	2,682
Office repairs	2,028	2,028	2,028	2,028	8,112	0	0	8,112
In-kind office repairs	113	5,706	1,074	7,294	14,187	2,349	2,214	18,750
In-kind expenses	16,263	85,893	158,090	19,636	279,882	28,822	12,121	320,825
In-kind pro-bono expenses	31,453	0	0	0	31,453	31,453	0	62,906
Other	0	0	0	0	0	1,073	0	1,073
TOTAL EXPENSES	\$ 82,829	\$ 331,262	\$ 258,180	\$ 246,074	\$ 918,345	\$ 176,901	\$ 138,118	\$ 1,233,364

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

Cash Flows From Operating Activities	
Net change in net assets	\$ (42,675)
Adjustments to reconcile change in net assets	
to cash used in operating activities:	
(Increase) in grants receivable	(87,998)
(Increase) in pledges receivable	(2,375)
(Increase) in prepaid expenses	(1,796)
(Decrease) in accounts payable and accrued expenses	<u>(1,126)</u>
Net Cash Used In Operating Activities	<u>(135,970)</u>
Net decrease in cash and cash equivalents	(135,970)
Cash and cash equivalents - July 1, 2021	<u>199,413</u>
Cash and cash equivalents - June 30, 2022	<u>\$ 63,443</u>

See notes to the financial statements.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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. VCPA offers youth internships, school programs, volunteer stewardship programs, cultural programming, ecological restoration, maintenance, and scientific research, all with a strong focus on community engagement, youth development, STEM education, and the environment.

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 funds without donor restrictions which may, from time to time, be designated by the board of directors for specific purposes.

Net Assets with Donor Restrictions: Net assets that are 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, whereby the donor has stipulated the funds be maintained in perpetuity.

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 in bank accounts and any highly liquid financial instruments purchased with a maturity of three months or less.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. The Organization considers receivables past due or delinquent when payments have not been received in a timely manner, and receivables are written off when management deems the possibility of collecting amounts due as completely unlikely. The Organization closely monitors outstanding balances for all receivables and adheres to a standard set of protocols for collection activities to be undertaken at certain times based upon delinquency status.

Allowances are based on the length of time that receivables were outstanding at year-end and on historical collection patterns of receivables in years past. Management determined that no allowance for doubtful accounts receivable was necessary at June 30, 2022.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

Donations and Promises to Give

Donations and promises to give (pledges) 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, 2022 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. Fees received which have not been earned are 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.

Fundraising revenue relates to ticket sales or sponsorships for special events. Revenue is recognized when the event takes place. Any revenue received which has not been earned is recorded as deferred revenue. Performance obligations for all the Organization's events are provided and consumed at a point in time (when the event occurs), not over time. Therefore, fundraising revenue allocated to performance obligations is not left unsatisfied or partially unsatisfied at the end of the reporting period.

Revenue includes monies received from board members totaling \$82,868 for the fiscal year.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 2 - Summary of Significant Accounting Policies (continued)

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 detail on 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, shirts and supplies for Urban Eco-Teen Internships, supplies for the Youth Run Farm Stand including a weekly produce order, shirts, supplies, including plants, for our natural area's restoration and research projects, and supplies for volunteer programs including tools, gloves, and snacks. The Organization will be able to use several of these items for programs in future years. VCPA hires performers, rents sound equipment, and hires a sound tech for cultural events.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs were \$4,361 for the year ended June 30, 2022.

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. Cash at June 30, 2022 did not exceed insured limits.

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, 2022.

As a result of the forgoing, 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.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets at June 30, 2022 available to meet general expenditures over the next twelve months:

Financial assets, at year-end:	
Cash and cash equivalents	\$ 63,443
Grants receivable	287,590
Pledges receivable	16,639
Total financial assets	367,672
Less amounts not available for general use:	
Restricted by donor with time or purpose restrictions	(310,801)
Total financial assets available to meet general expenditures within one year	\$ 56,871

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

Note 4 - Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses are primarily accrued payroll expenses.

Note 5 - Restrictions on Net Assets

Net assets with donor restrictions at June 30, 2022 are available for the following purposes:

Cultural	14,000
Environmental education	73,866
Fields and trails	30,000
Natural Areas	131,598
Management and general	61,337
	\$ 310,801

Note 6 - Commitment and Contingencies

The Organization's office was under a five-year lease which ended on October 31, 2021. The lease had been subject to increases. Monthly rent for the year ended June 30, 2022 was \$1,761. The Organization is in the process of renewing this lease.

On June 1, 2022 the Organization entered into a contract with TBO Sitescapes, Inc. for the rehabilitation of the Woodlawn Playground basketball courts in Van Cortlandt Park. The cost of the rehabilitation is \$69,000. The Organization has raised \$70,000 in grants to offset this cost. As of June 30, 2022, the Organization has paid \$34,500 and recognized \$35,000 in grant income. The remaining balances will be paid and recognized in the upcoming fiscal year.

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

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Note 7 - 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, 2022. This amount has not been reflected in the financial statement. Effective for the year ended June 30, 2023, a policy change was implemented limiting the carryover of unused vacation time.

Note 8 – Revenue from Contracts with Customers

All of the revenue derived from contracts with customers during the year ended June 30, 2022 was fully earned in the same annual reporting period with no allowance for returns. Detail of revenue from contracts with customers for the year ended June 30, 2022 is as follows:

Special event ticket sales	\$	35,324
Youth farm stand		9,433
Fee for service – school programs		<u>2,082</u>
Total	\$	<u>46,839</u>

Note 9 - Volunteers

Volunteers contributed 3,389 hours for the year ended June 30, 2022. These donated services are valued at \$55,919. 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 because they do not meet the requirement for recording in accordance with generally accepted accounting principles.

Note 10 - 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, administrative, and fundraising from Board members and other volunteers.

For the year ended June 30, 2022, in-kind contributions are as follows:

Professional fees	\$	162,466
Program support		207,362
Services and space		21,532
Event supplies		<u>11,121</u>
	\$	<u>402,481</u>

The Organization also received pro-bono support from a law firm assisting with drafting a license agreement to be negotiated with NYC Parks in the near future. The value of the legal work performed is not included in professional fees of \$62,906 listed above.

Note 11 - Pension Expense

The Organization instituted a contributory Simple IRA plan. Pension expense included in employee benefits was \$6,193 for the year ending June 30, 2022.

VAN CORTLANDT PARK ALLIANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, NYC Parks donated \$225,491 to VCPA in in-kind contributions (See Note 10). Donated services include shared office space in Ranaqua & Van Cortlandt Park, equipment in Van Cortlandt Park, 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 February 15, 2023, the date that the financial statements were available to be issued.