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ALLEY POND ENVIRONMENTAL CENTER, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2020 & 2019

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INDEPENDENT AUDITORS' REPORT

October 6, 2020

The Board of Directors
Alley Pond Environmental Center, Inc.
224-65 76TH Avenue
Oakdale Gardens, NY 11364

We have audited the accompanying financial statements of Alley Pond Environmental Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and 2019 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 Statement

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 the 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 upon 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In the making those risk assessments, the auditors consider 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 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 Alley Pond Environmental Center, Inc. at June 30, 2020 & 2019, and the changes in net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages ten and eleven is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

ZERAH & COMPANY, CPA's, PC

ALLEY POND ENVIRONMENTAL CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2020 & 2019

	<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
CURRENT ASSETS			
Cash & Equivalents		\$1,284,981	\$1,096,111
Grants Receivable		292,953	436,820
Prepaid Expenses		<u>6,258</u>	<u>5,558</u>
Total Current Assets		1,584,192	1,538,489
Fixed Assets-Net		<u>57,546</u>	<u>94,361</u>
Total Assets		<u>\$1,641,738</u>	<u>\$1,632,850</u>
 <u>LIABILITIES & NET ASSETS</u>			
CURRENT LIABILITIES			
Accrued Expenses Payable		\$ 25,417	\$ 17,417
Payroll Taxes Payable		6,438	6,781
Accrued Wages Payable		18,093	20,685
Bank Loan		<u>109,235</u>	<u>-</u>
Total Current Liabilities		<u>159,183</u>	<u>44,883</u>
Total Liabilities		<u>159,183</u>	<u>44,883</u>
 NET ASSETS			
Net Assets-Unrestricted		1,482,555	1,587,967
Net Assets-Restricted		<u>-</u>	<u>-</u>
Total Net Assets		<u>1,482,555</u>	<u>1,587,967</u>
Total Liabilities & Net Assets		<u>\$ 1,641,738</u>	<u>\$1,632,850</u>

See Auditors Report & Accompanying Notes

ALLEY POND ENVIRONMENTAL CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 & 2019

	<u>2020</u>	<u>2019</u>
SUPPORT & REVENUES		
Grants	\$ 587,265	\$ 681,601
Education Program Revenue	321,753	561,001
Membership Dues	9,905	19,947
Contributions	24,118	26,625
Special Events	18,580	74,096
Interest Income	9,136	6,479
Miscellaneous Income	-	8,873
Donated Facilities	<u>215,250</u>	<u>55,500</u>
 Total Support & Revenue	 <u>\$1,186,007</u>	 <u>\$1,434,122</u>
 <u>Functional Expenses</u> (Schedule A)		
Program Expense	915,260	861,648
Administrative Expenses	370,159	334,590
Fund Raising	<u>6,000</u>	<u>6,000</u>
 Total Functional Expenses	 <u>1,291,419</u>	 <u>1,202,238</u>
 Increase (Decrease) in Net Asset	 <u>(105,412)</u>	 <u>231,884</u>
 Net Assets-Beginning	 <u>1,587,967</u>	 <u>1,356,083</u>
 Net Assets-Ending	 <u>\$1,482,555</u>	 <u>\$ 1,587,967</u>

See Auditors' Report & Accompanying Notes

ALLEY POND ENVIRONMENTAL CENTER, INC.
 STATEMENTS OF CASH FLOW
 FOR THE YEARS ENDED JUNE 30, 2020 & 2019

	<u>2020</u>	<u>2019</u>
Cash Flows Provided (Used)		
<u>By Operating Activities:</u>		
Increase (Decrease) in Net Assets	\$ (105,412)	\$ 231,884
Adjustments to Reconcile Increase in Net Assets, to Cash Provided by Operating Activities:		
Depreciation	13,204	21,448
Changes in:		
Grants Receivable	143,867	(197,467)
Prepaid Expenses	(700)	(142)
Accrued Expenses	8,000	1,585
Payroll Taxes Payable	(343)	2,129
Accrued Wages Payable	<u>(2,592)</u>	<u>3,716</u>
Net Cash Provided by Operating Activities	<u>56,024</u>	<u>63,153</u>
<u>Cash Flows (Used) in Investing Activities</u>		
Net Acquisitions & Disposals of Fixed Assets	<u>23,611</u>	<u>(24,547)</u>
Net Cash Provided (Used) by Investing Activities	<u>23,611</u>	<u>(24,547)</u>
<u>Cash Flows Provided by Financing Activities</u>		
Bank Loan	<u>109,235</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>109,235</u>	<u>-</u>
Net (Decrease) Increase in Cash	188,870	38,606
Cash-Beginning of Year	<u>1,096,111</u>	<u>1,057,505</u>
Cash-End of Year	<u><u>\$ 1,284,981</u></u>	<u><u>\$1,096,111</u></u>

No Interest or Taxes were Paid in 2020 or 2019

See Auditors' Report & Accompanying Notes

ALLEY POND ENVIRONMENTAL CENTER, INC.
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED JUNE 30, 2020 & 2019

NOTE 1 – NATURE OF ACTIVITIES

The Alley Pond Environmental Center, Inc. is a not-for-profit corporation, environmental education organization incorporated in 1976, under the laws of New York State. The purposes for which the corporation were formed are:

1. Educating children and adults in the New York metropolitan area, protecting and preserving Alley Pond Park, open spaces and waterbodies, and advocating for sustainable environmental policies and practices.
2. To establish and operate environmental education facilities in Alley Pond Park, Queens, New York.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Alley Pond Environmental Center, Inc. have been prepared on the accrual basis in accordance with the American Institute of Certified Public Accountants Audit and Accounting for non-profit organizations.

Property & Equipment

The organization capitalizes property and equipment over \$2,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty years.

	<u>2020</u>	<u>2019</u>
Furniture, Fixtures & Equipment	\$ 175,756	\$ 234,490
Computer Equipment & Software	-	98,365
Leasehold Improvements & Ground Renovations	<u>133,937</u>	<u>449,517</u>
	<u>309,693</u>	<u>782,372</u>
Less Accumulated Depreciation	<u>(252,147)</u>	<u>(688,011)</u>
	<u>\$ 57,546</u>	<u>\$ 94,361</u>

ALLEY POND ENVIRONMENTAL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 & 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management Review

Management has evaluated subsequent events through October 6, 2020, the date on which the financial statements were available to be issued.

Receivables

Receivables consist of grant monies which were payable to Alley Pond Environmental Center, Inc. as of June 30, 2020.

Grants Receivable at June 30, 2020 were \$292,953 and were considered fully collectible.

Donated Facilities & Materials

A license agreement, which expires June 30, 2021 and is subject to renewal, and which is terminable at will at the discretion of the commissioner upon thirty days written notice, exists between Alley Pond Environmental Center, Inc. and The City of New York Department of Parks and Recreation. The agreement provides for the use of the building and the grounds by APEC at \$1.00 per annum. Effective January 1, 2020 Alley Pond Environmental Center, Inc. moved its facilities to Oakland Gardens, New York. The estimated value of these facilities was \$375,000 per annum.

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.

Contributed Services

No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform variety of tasks that assist the Organization at the residents' facilities, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 5,000 volunteer hours per year.

ALLEY POND ENVIRONMENTAL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 & 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

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

Income Taxes

The Organization is a not-for-profit organization that is exempt from 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.

The Organizations Forms 990, Return of Organization Exempt from Income Tax, for the fiscal years ending June 30, 2017, 2018, 2019 are subject to examination by the IRS, generally for the three years after they were filed.

Estimates

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

Support and Revenue Recognition

The Organization's primary sources of support and revenue are funded through New York State and City grants as well as educational program fees.

ALLEY POND ENVIRONMENTAL CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 & 2019

NOTE 3 – RETIREMENT PLAN

A Defined Contribution Plan that operates under section 403b of the Internal Revenue Service Code was established for Alley Pond Environmental Center, Inc. in January, 1999. The plan provides retirement benefits for eligible employees through the Teachers Insurance and Annuity Association (TIAA) and the College Retirement Equities Fund (CREF). The employer expense for the retirement plan for the fiscal years ended June 30, 2020 & 2019 was \$4,187 and \$4,295 respectively.

NOTE 4 – BANK LOAN

In May of 2020 the Company received a loan amount of \$109,235 from the U.S. Small Business Administration through Investors Bank. The proceeds were received through the Paycheck Protection Program. The note will mature 2 years after the initial disbursement at a rate of 1% per annum. The loan may be eligible for forgiveness as per the requirements of the program.

ALLEY POND ENVIRONMENTAL CENTER, INC.
SCHEDULE OF FUNCTIONAL EXPENSES

SCHEDULE A

FISCAL YEAR ENDED JUNE 30, 2020

FUND

	PROGRAM	ADMINISTRATIVE	RAISING	TOTAL
<u>FUNCTIONAL EXPENSES</u>				
Salaries & Wages	\$ 443,642	\$ 190,133	\$	\$ 633,775
Rent Expense	150,675	64,575		215,250
Repairs & Maintenance	6,145	2,633		8,778
Payroll Taxes	34,558	14,810		49,368
Office Supplies & Equipment	7,586	3,251		10,837
Depreciation	9,243	3,961		13,204
Hospitalization	27,732	11,885		39,617
Education Program Expense	37,557	0		37,557
Utilities & Telephone	5,116	2,193		7,309
Professional Fees	6,860	2,940		9,800
Insurance	12,062	5,170		17,232
Printing	4,094	1,755		5,849
Service Contracts	57,307	24,560		81,867
Computer Expense	23,283	9,978		33,261
Animal Supplies	7,393	3,168		10,561
Dues & Subscriptions	1,667	715		2,382
Staff Development & Education	489	210		699
Special Events	2,110	905		3,015
Outside Consultants	33,600	8,400	6,000	48,000
Honey Expenses	403	173		576
TIAA-CREF Retirement	2,931	1,256		4,187
Moving Expenses	11,584	4,964		16,548
Abandonment Loss	29,223	12,524		41,747
Total Functional Expense	\$ 915,260	\$ 370,159	\$ 6,000	\$1,291,419

See Auditors' Report & Accompanying Notes

ALLEY POND ENVIRONMENTAL CENTER, INC.
SCHEDULE OF EXPENSES

SCHEDULE A

FISCAL YEAR ENDED JUNE 30, 2019

FUND

PROGRAM ADMINISTRATIVE RAISING TOTAL

FUNCTIONAL EXPENSES

Salaries & Wages	\$ 506,654	\$ 217,137	\$	\$ 723,791
Rent Expense	38,850	16,650		55,500
Repairs & Maintenance	24,153	10,351		34,504
Payroll Taxes	39,501	16,929		56,430
Office Supplies & Equipment	7,274	3,118		10,392
Depreciation	15,014	6,434		21,448
Hospitalization	38,210	16,376		54,586
Education Program Expense	80,937	-		80,937
Utilities & Telephone	3,373	1,446		4,819
Professional Fees	6,944	2,976		9,920
Insurance	11,165	4,785		15,950
Printing	7,626	3,269		10,895
Postage	1,270	545		1,815
Service Contracts	25,397	10,884		36,281
Computer Expense	5,170	2,216		7,386
Animal Supplies	5,703	2,444		8,147
Dues & Subscriptions	1,005	430		1,435
Staff Development & Education	680	292		972
Special Events	11,863	5,084		16,947
Outside Consultants	26,600	11,400	6,000	44,000
Honey Expenses	1,252	536		1,788
TIAA-CREF Retirement	3,007	1,288		4,295
	<hr/>			
Total Functional Expenses	\$ 861,648	\$ 334,590	\$ 6,000	\$1,202,238
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See Auditors' Report & Accompanying Notes

INDEPENDENT AUDITORS' REPORT

October 6, 2020

The Board of Directors
Alley Pond Environmental Center, Inc.
224-65 76TH Avenue
Oakland Gardens, NY 11364

We have audited the accompanying financial statements of Alley Pond Environmental Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and 2019 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 Statement

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Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based upon 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In the making those risk assessments, the auditors consider 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 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.

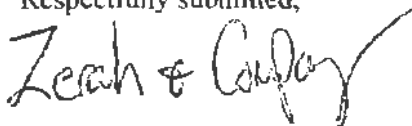
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alley Pond Environmental Center, Inc. at June 30, 2020 & 2019, and the changes in net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on pages ten and eleven is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,



ZERAH & COMPANY, CPA's, PC