

**OUTSTANDING RENEWAL
ENTERPRISES, INC.
d.b.a LOWER EAST SIDE
ECOLOGY CENTER
FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
DECEMBER 31, 2009**



Independent Auditor's Report

**Board of Directors
Outstanding Renewal Enterprises, Inc.
d.b.a Lower East Side Ecology Center**

We have audited the accompanying balance sheet of Outstanding Renewal Enterprises, Inc. d.b.a. Lower East Side Ecology Center as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Outstanding Renewal Enterprises, Inc.d.b.a. Lower East Side Ecology Center as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KBMG, LLC
May 4, 2010

OUTSTANDING RENEWAL ENTERPRISES, INC.
d.b.a. LOWER EAST SIDE ECOLOGY CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

ASSETS

Cash	\$ 240,972
Accounts receivable	22,578
Supplies inventory	2,896
Fixed assets, net of accumulated depreciation	<u>24,016</u>
 Total assets	 <u><u>\$ 290,462</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 365
Due to NYC Parks Department	17,945
Payroll tax and sales tax payable	10,405
Deferred revenue	<u>91,223</u>
 Total liabilities	 <u>119,938</u>
 Net assets	
Unrestricted	<u>170,524</u>
 Total liabilities and net assets	 <u><u>\$ 290,462</u></u>

See independent auditors' report and notes to financial statements.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Revenues

Grants	\$ 370,624
Contributions	43,809
In-Kind Contributions	109,871
Interest Income	1,661
Projects, workshops and other support	6,488
	<u>532,453</u>

Sales of inventory	48,866
Less direct cost of sales	29,245
	<u>19,621</u>

Total revenue	<u>552,074</u>
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Expenses

Program services

Composting	70,964
Electronic Waste Recycling	119,657
DSNY Manhattan Compost Project	118,336
Environmental Education	62,841
Stewardship	39,329
	<u>411,127</u>

Total program services	411,127
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Support Services

General and administrative	78,225
Fundraising	11,517
	<u>89,742</u>

Total expenses	<u>500,869</u>
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Change in net assets	51,205
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Net assets - beginning of year	<u>119,319</u>
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Net assets - end of year	<u><u>\$ 170,524</u></u>
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See independent auditors' report and notes to financial statements.

OUTSTANDING RENEWAL ENTERPRISES, INC.
d.ba. LOWER EAST SIDE ECOLOGY CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Program	General and	TOTAL
	Services	Administrative	EXPENSES
	\$	\$	\$
Salaries	196,096	10,000	211,096
Payroll taxes and benefits	19,021	994	20,500
Independent contractors	1,310	-	1,310
Intern expense	6,125	-	6,125
Insurance	24,445	1,324	26,406
Office expenses	-	1,478	1,478
Auto and Travel	14,550	411	14,961
Outside Professional services	6,128	2,967	9,095
Supplies and other expenses	49,539	5,192	60,126
Recycling fees	89,323	-	89,323
Repairs and maintenance	1,072	-	1,072
Telephone and internet	3,518	1,918	5,436
Website expense	-	50,000	50,000
Depreciation	-	3,941	3,941
Total expenses	\$ 411,127	\$ 78,225	\$ 500,869

See independent auditors' report and notes to financial statements.

OUTSTANDING RENEWAL ENTERPRISES, INC.
d.ba. LOWER EAST SIDE ECOLOGY CENTER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009

Cash flows from operating activities

Change in net assets	\$ 51,205
Adjustments to reconcile change in net assets to net cash (used by) provided by operating activities:	
Depreciation	3,941
Changes in operating assets and liabilities	
Accounts receivable	47,609
Inventory	(1,552)
Accounts payable	(10,723)
Due to NYC Parks Department	280
Payroll tax and sales tax payable	3,422
Deferred revenue	56,723
Net cash provided by operating activities	<u>150,905</u>
Cash flows used by investing activities	
Purchase of equipment	<u>(5,934)</u>
Net Increase in cash	144,971
Cash, beginning of year	<u>96,001</u>
Cash, end of year	<u><u>\$ 240,972</u></u>

See independent auditors' report and notes to financial statements.

**OUTSTANDING RENEWAL ENTERPRISES, INC.
d.ba. LOWER EAST SIDE ECOLOGY CENTER**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

SUMMARY OF ACCOUNTING POLICIES

Nature of Organization

Outstanding Renewal Enterprises, Inc. d.b.a. Lower East Side Ecology Center is a community based nonprofit organization that has had three main objectives since its inception in 1987 (1) recycling and composting programs to augment New York City's curbside recycling programs, (2) stewardship of public open space and (3) increasing community awareness, involvement and activism through environmental education.

Since 1990 the Lower East Side Ecology Center has developed a compost collection and education program, and currently operates an in-vessel compost system at East River Park on the Lower East Side of Manhattan. The organization has its offices in the historic Fire Boat House at East River Park and in partnership with the City of New York, Department of Parks & Recreation, is developing the East River Park Environmental Learning Center at the Fire Boat House. Additionally, the Lower East Side Ecology Center manages a community garden on East 7th Street, which recently was designated a permanent public open space.

Basis of Presentation

Financial statement presentation follows established standards for external financial reporting by not-for-profit organizations. Under these standards, 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.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. In 2009 The New York City Department of Sanitation made restricted contributions to The Manhattan Compost Project. Because the organization has incurred expenses for a purpose for which those restricted net assets were available, the donor-imposed restrictions on those net assets have been fulfilled. All other donor-restricted contributions that the organization might receive will be reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When the restriction expires, temporarily restricted net assets will be reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**OUTSTANDING RENEWAL ENTERPRISES, INC.
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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

Tax-exempt Status

The organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents are short - term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Expense Allocation

The costs of providing various programs and activities have been summarized on a functional basis in the Statement of Activities and in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events

For the year ended December 31, 2009, the Organization has evaluated subsequent events for potential recognition or disclosure through May 4, 2010, the date the financial statements were available for issuance.

**OUTSTANDING RENEWAL ENTERPRISES, INC.
d.ba. LOWER EAST SIDE ECOLOGY CENTER**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

Fixed Assets

As of December 31, 2009, fixed assets consists of:

Furniture & Fixtures	\$21,718
Equipment & Tools	92,154
Environmental Education Assets	19,233
Greenhouse	24,685
Leasehold improvements	20,264
Compost Bins	21,389
Vehicles	<u>21,766</u>
	221,209
Less: accumulated depreciation	<u>197,193</u>
	<u>\$ 24,016</u>

In-Kind Contributions

Those contributions that meet the requirements for recognition under generally accepted accounting principles are recorded as both revenue and expense in the accompanying statement of activities. In 2009 the contributions totaled \$109,871, \$59,871 for recycling fees and \$50,000 for website expense.