

---

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**



**Financial Statements**  
**Years Ended December 31, 2011 and 2010**

(Together with Independent Auditors' Report)

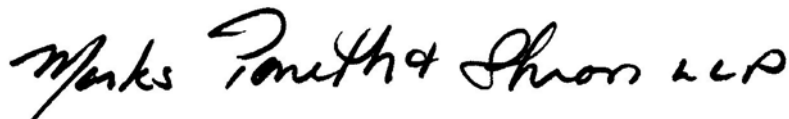
## Independent Auditors' Report

To the Board of Trustees  
Randall's Island Sports Foundation, Inc.  
New York, New York

We have audited the accompanying statement of financial position of Randall's Island Sports Foundation, Inc. (A Non-Profit Organization) as of December 31, 2011, and the related statements of activities, functional expenses by natural classification, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year's summarized comparative information has been derived from the Foundation's 2010 financial statements and, in our report dated June 6, 2011, we expressed an unqualified opinion on those financial statements.

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 Randall's Island Sports Foundation, Inc., as of December 31, 2011, and the changes in net assets, and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



New York, NY  
June 1, 2012

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Statement of Financial Position**

**December 31, 2011**  
**With Comparative Totals for 2010**

	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,817,265	\$ 3,525,655
Prepaid expenses and other assets	149,978	36,766
Prepaid expenses - City of New York/Parks & Recreation	184,482	203,110
Contributions and license revenue receivable	861,841	869,157
Total Assets	\$ 5,013,566	\$ 4,634,688
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 186,600	\$ 175,297
Accounts payable - Randall's Island Fields Group, LLC	400,000	400,000
Deferred events revenue	102,850	-
Total Liabilities	689,450	575,297
 <b>NET ASSETS</b>		
Unrestricted	4,255,340	3,928,141
Temporarily restricted	68,776	131,250
Total Net Assets	4,324,116	4,059,391
Total Liabilities and Net Assets	\$ 5,013,566	\$ 4,634,688

See accompanying notes to the financial statements.

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Statement of Activities**

**Year Ended December 31, 2011**  
**With Comparative Totals for 2010**

	<b>2011</b>			<b>2010</b>
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>	<b>Total</b>
<b>REVENUES, INVESTMENT INCOME AND OTHER SUPPORT</b>				
Special events revenue	\$ -	\$ -	\$ -	\$ 102,660
Less: cost of direct benefits to donors				(118,429)
Special events, net	-	-	-	(15,769)
Capital projects				
Pledges and contributions	39,215	-	39,215	1,113,246
General support				
Grants and contributions	2,357,107	43,750	2,400,857	1,357,734
Fundraising events	-	-	-	813,944
In-kind support	119,115	-	119,115	115,515
License revenue (Section 7)	3,310,877	-	3,310,877	3,437,402
Investment income	11,476	-	11,476	15,167
Net assets released from restrictions:				
Satisfaction of program restrictions	106,224	(106,224)	-	-
 Total Revenues, Investment Income and Other Support	 <u>5,944,014</u>	 <u>(62,474)</u>	 <u>5,881,540</u>	 <u>6,837,239</u>
<b>EXPENSES</b>				
Program services				
Icahn stadium	769,584	-	769,584	2,152,157
Capital Projects	441,673	-	441,673	-
Maintenance and improvement of parkland	2,690,494	-	2,690,494	3,483,223
Youth and education programs	600,064	-	600,064	461,865
Management and general	844,897	-	844,897	544,349
Fundraising	270,103	-	270,103	436,489
 Total Expenses	 <u>5,616,815</u>	 <u>-</u>	 <u>5,616,815</u>	 <u>7,078,083</u>
Change in Net Assets	327,199	(62,474)	264,725	(240,844)
Net Assets at Beginning of Year	<u>3,928,141</u>	<u>131,250</u>	<u>4,059,391</u>	<u>4,300,235</u>
Net Assets at End of Year	<u>\$ 4,255,340</u>	<u>\$ 68,776</u>	<u>\$ 4,324,116</u>	<u>\$ 4,059,391</u>

See accompanying notes to the financial statements.

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Statement of Functional Expenses**  
**Year Ended December 31, 2011**  
**With Comparative Totals for 2010**

**Year ended December 31, 2011**

	Program Services				Supporting Services		Total Program and Supporting Services	Year ended December 31, 2010	
	Capital Projects	Icahn Stadium	Maintenance and Improvement of Parkland	Youth and Education Programs	Total Program Services	Management and General			Fund Raising
Salaries and payroll taxes	\$ 88,916	\$ 388,870	\$ 1,195,810	\$ 292,927	\$ 1,966,523	\$ 242,633	\$ 196,044	\$ 2,405,200	\$ 2,250,040
Employee benefits	8,415	36,803	113,173	27,723	186,114	22,963	18,554	227,631	164,776
Salaries and fringe - ball field crew		-	481,596	-	481,596	-	-	481,596	431,278
Contracted services and professional fees	235,342	-	18,101	7,016	260,459	53,581	28,063	342,103	1,731,562
Management, general and operating expenses	-	26,761	43,258	3,587	73,606	329,312	-	402,918	329,964
Park maintenance, supplies and equipment	-	316,304	838,556	-	1,154,860	-	-	1,154,860	1,798,870
Strategic Plan	-	-	-	-	-	95,492	-	95,492	-
TBTA (See Note 6)	109,000	-	-	-	109,000	-	-	109,000	-
Fundraising and related expenses	-	-	-	-	-	-	27,442	27,442	230,147
RIK program expenses	-	-	-	268,811	268,811	-	-	268,811	121,308
Marketing and communications	-	846	-	-	846	100,916	-	101,762	20,138
<b>Total</b>	<u>\$ 441,673</u>	<u>\$ 769,584</u>	<u>\$ 2,690,494</u>	<u>\$ 600,064</u>	<u>\$ 4,501,815</u>	<u>\$ 844,897</u>	<u>\$ 270,103</u>	<u>\$ 5,616,815</u>	<u>\$ 7,078,083</u>

See accompanying notes to the financial statements.

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Statement of Cash Flows**

**Year Ended December 31, 2011**  
**With Comparative Totals for 2010**

	<u>2011</u>	<u>2010</u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 264,725	\$ (240,844)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Increase (decrease) in cash flows due to change in operating assets and liabilities:		
Prepaid expenses	(113,212)	742,404
Prepaid expenses - City of New York/Parks & Recreation	18,628	30,253
Contributions receivable	7,316	(380,574)
Accounts payable and accrued expenses	11,303	(44,445)
Deferred events revenues	102,850	-
	<u>291,610</u>	<u>106,794</u>
Net Cash Provided by Operating Activities		
	<u>291,610</u>	<u>106,794</u>
Increase in Cash and Cash Equivalents	291,610	106,794
Cash and Cash Equivalents at Beginning of Year	<u>3,525,655</u>	<u>3,418,861</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,817,265</u>	<u>\$ 3,525,655</u>

See accompanying notes to the financial statements.

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Notes to Financial Statements**

**NOTE 1: ORGANIZATION**

The Randall's Island Sports Foundation, Inc. (the "Foundation") is a non-profit public/private partnership with the City of New York/Parks & Recreation ("Parks Department"). The Foundation's mission is to develop Randall's Island into an accessible, well-organized and self-sustaining sports and recreation center with facilities and community-linked programs geared largely toward the children of New York City. The Foundation was founded in 1992 as part of the City Parks Foundation and incorporated on January 24, 1994, under Section 1411 of the Not-for-Profit Corporation Law of the State of New York.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Contributions

Cash contributions and unconditional promises to give are recorded as income when received. They are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. Temporarily restricted contributions are recorded as unrestricted support when donor-imposed restrictions expire or are satisfied in the same reporting period for which they were received. The Foundation had no permanently restricted net assets as of December 31, 2011 and 2010, respectively.

Promises to Give

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Cash and Cash Equivalents

For purposes of the statements of financial position and cash flows, the Foundation considers all unrestricted, liquid investments with an initial maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Foundation maintains its cash balances at one financial institution. At December 31, 2011, accounts at the institution were insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2010, certain additional amounts were FDIC insured under the Transaction Account Guarantee Program, which has subsequently expired. As of December 31, 2011 and 2010, the Foundation's uninsured bank balances totaled \$3,952,833 and \$3,489,053, respectively, and approximately \$1,000,000 of these uninsured balances are held in U.S. Treasuries.

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Leasehold Improvements and Computer Equipment

Leasehold improvements and computer equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of each asset.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to use estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results may ultimately differ from estimates.

Comparative Financial Information:

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2010, from which the summarized information was derived. Certain reclassifications have been made to the 2010 financial statement presentation to correspond to the current year's presentation. Net assets and changes in net assets are unchanged due to these reclassifications.

Functional Allocation of Expenses

The costs of providing the program services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated in an approximate manner among program, management and general and fundraising.

Income Tax Status

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

The Foundation follows the provisions of FASB ASC 740 "Income Taxes", which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Foundation is no longer subject to federal or state and local income tax examinations by tax authorities for years before 2008.



**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Notes to Financial Statements**

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In-Kind Contributions and Contributed Services

In-kind contributions are reflected as contributions at their fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used.

The Foundation recognizes the fair values of contributed services received if such services create or enhance long-lived assets, or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

The amounts reflected in the accompanying financial statements as contributions in-kind are offset by like amounts included in expenses.

Subsequent Events

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 1, 2012, the date the financial statements were available to be issued (see Note 7).

**NOTE 3: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of cash contributions restricted by donors for specific program services.

As of December 31, 2011, temporarily restricted net assets of \$68,776 are available for public programs in 2012.

**NOTE 4: LICENSE REVENUES (SECTION 7)**

Effective December 31, 2001, the Foundation entered into a License Agreement ("License") with the Parks Department. Section 7 of the License provides for the Foundation to receive revenues from park events, or services it provides, which are used to offset expenses incurred by the Foundation for the operations of Randall's Island Park. Operations include maintenance and improvement of Park Land as well as Youth and Education programs. From December 31, 2007 through December 31, 2011, the Foundation has incurred expenses for the operations of Randall's Island Park in excess of revenues received in accordance with Section 7 of the License. The agreement is set to expire as of June 30, 2012, however an extension of the License is expected.

**NOTE 5: PREPAID EXPENSES - CITY OF NEW YORK/PARKS & RECREATION**

The Foundation has agreed to provide annual payments of \$420,000 to the Parks Department in consideration of Parks Department staff positions at Randall's Island. These payments entitle the Foundation to the use of Parks Department personnel and services during the Parks Department fiscal year. During the years ended December 31, 2011 and 2010, the expenditures relating to these annual payments are included in the Statement of Functional expenses as Salaries and payroll taxes, Employee benefits, and

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Notes to Financial Statements**

**NOTE 5: PREPAID EXPENSES - CITY OF NEW YORK/PARKS & RECREATION (continued)**

Salaries and fringe – ball field crew, Management, general and operating expenses, and Park maintenance, supplies and equipment. Prepaid expenses which are not used by the end of the Parks Department fiscal year are retained by the Parks Department and included in the Statement of Functional Expenses as Program Service and Management and General Expenses. Prepaid Expenses – City of New York/Parks & Recreation expire on June 30, 2012 if not utilized before this date.

**NOTE 6: TBTA TRANSACTION & NYC OFFICE OF COMPTROLLER AUDIT**

In connection with an agency transaction performed by the Foundation between the Triborough Bridge and Tunnel Authority and the Parks Department ("TBTA Transaction"), the Foundation recognized income of approximately \$12,000 and \$97,000 for 2008 and 2007 respectively, classified as grants and contributions revenue, which reflects the approximate amount of interest earned on cash held as agent during the transaction.

The New York City Office of the Comptroller ("Comptroller") completed an audit of the Foundation's compliance with its License Agreement with the Parks Department on May 5, 2011. The audit report includes a recommendation that the Foundation repay \$109,000 to the City. This amount represents cumulative imputed interest earned on cash held as agent during the TBTA Transaction.

Pursuant to the Comptroller's Audit, the Foundation made a grant of \$109,000 to the Parks Department on March 25, 2011. The grant is included on the Statement of Functional Expense by Natural Classification.

**NOTE 7: SUBSEQUENT EVENTS**

Effective February 28, 2012, the Randall's Island Sports Foundation, Inc. changed its name to the Randall's Island Park Alliance, Inc. (RIPA). All forthcoming financial statements will be issued under the new name, RIPA.

On February 16, 2012, the Foundation was named as the defendant in a personal injury lawsuit for an undisclosed amount. Pursuant to the Foundation's License Agreement with the City of New York (the "City") regarding litigation, the City will answer on behalf of the Foundation and pay, on its behalf, any judgment arising from the claim. The status of this litigation as of the date the financial statements were available to be issued is pending.

**NOTE 8: IN-KIND SUPPORT AND CONTRIBUTED SERVICES**

The Parks Department allows the Foundation to use some of its space located at 24 West 61<sup>st</sup> Street, New York, NY. No rent is paid by the Foundation. The Foundation has estimated the rental value based on average asking rents for their location. In addition, the Parks Department allows the Foundation to use its phones and computer equipment, and provides the Foundation with some office supplies. The value of the in-kind contributions from the Parks Department for the years ended December 31, 2011 and 2010 amounted to \$98,115 for each year. These amounts are included in the statement of activities as in-kind support and are offset by like amounts included in expenses.

The Foundation received contributed professional services during the years ended December 31, 2011 and 2010, with estimated values of \$21,000 and \$17,400,

**RANDALL'S ISLAND SPORTS FOUNDATION, INC.**  
**(A Non-Profit Organization)**

**Notes to Financial Statements**

**NOTE 8: IN-KIND SUPPORT AND CONTRIBUTED SERVICES (continued)**

respectively. These amounts are included in the statement of activities as in-kind support and are offset by like amounts included in expenses. Additionally, a substantial number of volunteers have donated significant amounts of their time to the Foundation for various projects. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under generally accepted accounting principles have not been satisfied.

**NOTE 9: CAPITAL IMPROVEMENTS**

The Foundation's staff works to secure and manage a variety of capital funds from government agencies and private sources for the restoration and development of Randall's Island. The capital funds which are a result of this significant investment in time and resources are not reflected in these financial statements.

Capital improvements developed through public funding secured by the Foundation are ongoing, and include Waterfront Pathways, Environmental Restoration, Seawall Reconstruction, Infrastructure & Access Improvements, and Sports Fields Development.

**NOTE 10: 403(b) SAVINGS PLAN**

The Foundation has a 403(b) savings plan (the "Plan"). Participation in the savings part of the Plan is voluntary. Participants are eligible to contribute salary reductions on their first day of employment. Participants are eligible for employer contributions upon completion of one year of service and attainment of age 21. Employer contributions are discretionary and are shared pro-rata among eligible Participants for the year. Employer contributions for the years ended December 31, 2011 and 2010 were \$21,333 and \$16,030, respectively.

**NOTE 11: LITIGATION AND CONTINGENCIES**

In June 2009, Randall's Island Fields Group, LLC (the "Fields Group") entered into a sole source license agreement with the Parks Department and the Foundation which provided the Fields Group the right to use certain sports fields on Randall's Island during certain hours in exchange for \$400,000 annual concession payments to the Foundation and certain other payments to the Parks Department. The license agreement was subsequently nullified by the Supreme Court of New York State – New York County, as a result of legal action taken by a group of petitioners. Under an agreement between the Parks Department and the petitioners (the "Agreement"), if the sole source license agreement were to remain nullified after all appeals were final and have been exhausted, the Foundation must return the \$400,000 received from the Fields Group in 2009. Since the Agreement was nullified in the Supreme Court, a liability of \$400,000 has been accrued. However, the Parks Department still has the ability to appeal the decision if it so chooses. Nevertheless, the Foundation's management believes that the return of funds is probable.