



**Financial Statements
(Together with Independent Auditors' Report)**

For the Years Ended December 31, 2015 and 2014

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

RANDALL'S ISLAND PARK ALLIANCE, INC.

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Statements of Financial Position.....	2
Statements of Activities	3
Statements of Functional Expenses	4-5
Statements of Cash Flows	6
Notes to Financial Statements	7-10

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Randall's Island Park Alliance, Inc.

We have audited the accompanying financial statements of the Randall's Island Park Alliance, Inc. (the "Alliance"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses and cash flows 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 State 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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, we 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.

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 Randall's Island Park Alliance, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marks Paneth LLP

New York, NY
June 7, 2016



RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and cash equivalents (Notes 2C, 4 and 11)	\$ 6,122,298	\$ 6,070,455
Contributions and license revenue receivable (Notes 2D and 3)	389,012	269,841
Prepaid expenses and other assets	159,884	104,374
Prepaid expenses - City of New York/Parks and Recreation (Note 6)	164,770	162,991
TOTAL ASSETS	\$ 6,835,964	\$ 6,607,661
 LIABILITIES		
Accounts payable and accrued expenses	\$ 187,000	\$ 177,855
Due to Randall's Island Field Groups, LLC (Note 9B)	400,000	400,000
Deferred events revenue (Note 2H)	61,084	146,084
TOTAL LIABILITIES	648,084	723,939
 CONTINGENCIES (Note 9)		
 NET ASSETS (Note 2B)		
Unrestricted		
Operating	4,849,142	4,612,484
Board designated reserve fund (Note 4)	1,038,738	1,046,238
Total unrestricted	5,887,880	5,658,722
Temporarily restricted (Note 12)	300,000	225,000
TOTAL NET ASSETS	6,187,880	5,883,722
TOTAL LIABILITIES AND NET ASSETS	\$ 6,835,964	\$ 6,607,661

The accompanying notes are an integral part of these financial statements.

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	Year Ended December 31, 2015			Year Ended December 31, 2014		
	Unrestricted	Temporarily Restricted	Total 2015	Total 2014	Unrestricted	Temporarily Restricted
REVENUE, INTEREST INCOME AND OTHER SUPPORT:						
Special events revenue (Notes 2I and 13)	\$ 1,425,325	\$ -	\$ 1,425,325	\$ 1,480,110	\$ 1,480,110	\$ -
Less: cost of direct benefit to donors	<u>(235,039)</u>	<u>-</u>	<u>(235,039)</u>	<u>(238,834)</u>	<u>(238,834)</u>	<u>-</u>
Net revenues from special events	1,190,286	-	1,190,286	1,241,276	1,241,276	-
Pledges and contributions - capital projects	591,642	-	591,642	-	-	-
Grants and contributions	2,208,882	150,000	2,358,882	2,364,150	2,214,150	150,000
In-kind support (Notes 2E and 7)	124,953	-	124,953	98,115	98,115	-
License revenue (Note 5)	5,174,846	-	5,174,846	4,903,514	4,903,514	-
Interest income	8,566	-	8,566	10,575	10,575	-
Net assets released from restrictions (Note 12)	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
TOTAL REVENUE, INTEREST INCOME AND OTHER SUPPORT	<u>9,374,175</u>	<u>75,000</u>	<u>9,449,175</u>	<u>8,617,630</u>	<u>8,492,630</u>	<u>125,000</u>
EXPENSES:						
Program Services:						
Capital projects	771,310	-	771,310	112,740	112,740	-
Icahn stadium	1,720,082	-	1,720,082	847,367	847,367	-
Maintenance and improvement of parkland	4,065,770	-	4,065,770	4,475,444	4,475,444	-
Other programming expenses	<u>1,082,206</u>	<u>-</u>	<u>1,082,206</u>	<u>815,105</u>	<u>815,105</u>	<u>-</u>
Total program services	<u>7,639,368</u>	<u>-</u>	<u>7,639,368</u>	<u>6,250,656</u>	<u>6,250,656</u>	<u>-</u>
Supporting Services:						
Management and general	823,641	-	823,641	736,359	736,359	-
Fundraising	<u>682,008</u>	<u>-</u>	<u>682,008</u>	<u>553,067</u>	<u>553,067</u>	<u>-</u>
Total supporting services	<u>1,505,649</u>	<u>-</u>	<u>1,505,649</u>	<u>1,289,426</u>	<u>1,289,426</u>	<u>-</u>
TOTAL EXPENSES	<u>9,145,017</u>	<u>-</u>	<u>9,145,017</u>	<u>7,540,082</u>	<u>7,540,082</u>	<u>-</u>
CHANGE IN NET ASSETS	229,158	75,000	304,158	1,077,548	952,548	125,000
Net assets - beginning of year	<u>5,658,722</u>	<u>225,000</u>	<u>5,883,722</u>	<u>4,806,174</u>	<u>4,706,174</u>	<u>100,000</u>
NET ASSETS - END OF YEAR	<u>\$ 5,887,880</u>	<u>\$ 300,000</u>	<u>\$ 6,187,880</u>	<u>\$ 5,883,722</u>	<u>\$ 5,658,722</u>	<u>\$ 225,000</u>

The accompanying notes are an integral part of these financial statements.

**RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(With Comparative Totals For December 31, 2014)**

	For the Year Ended December 31, 2015									
	Program Services				Supporting Services					
	Capital Projects	Icahn Stadium	Maintenance and Improvement of Parkland	Other Programming Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2015	Total 2014
Salaries (Note 6)	\$ 79,343	\$ 446,994	\$ 1,309,325	\$ 735,639	\$ 2,571,301	\$ 353,967	\$ 362,104	\$ 716,071	\$ 3,287,372	\$ 3,197,819
Payroll taxes and employee benefits (Notes 6 and 10)	15,180	133,447	283,574	158,469	590,670	72,996	72,630	145,626	736,296	643,466
Total Salaries and Related Costs	94,523	580,441	1,592,899	894,108	3,161,971	426,963	434,734	861,697	4,023,668	3,841,285
Salaries and fringe - grant funded Park positions	-	-	462,971	-	462,971	-	-	-	462,971	363,597
Contracted services and professional fees	676,787	3,978	827,723	25,368	1,533,856	66,181	22,996	89,177	1,623,033	1,042,736
Office expenses (Note 6)	-	8,024	54,617	1,564	64,205	325,304	-	325,304	389,509	401,791
Park maintenance, supplies and equipment (Note 6)	-	1,127,639	1,127,560	-	2,255,199	-	-	-	2,255,199	1,469,400
Event and general fundraising expenses	-	-	-	-	-	-	219,278	219,278	219,278	152,150
Outreach and community events	-	-	-	161,166	161,166	-	-	-	161,166	230,843
Marketing and communications	-	-	-	-	-	5,193	5,000	10,193	10,193	38,280
TOTAL EXPENSES	\$ 771,310	\$ 1,720,082	\$ 4,065,770	\$ 1,082,206	\$ 7,639,368	\$ 823,641	\$ 682,008	\$ 1,505,649	\$ 9,145,017	\$ 7,540,082

**RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Program Services</u>				<u>Supporting Services</u>			<u>Total 2014</u>	
	<u>Capital Projects</u>	<u>Icahn Stadium</u>	<u>Maintenance and Improvement of Parkland</u>	<u>Other Programming Expenses</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		<u>Total Supporting Services</u>
Salaries (Note 6)	\$ 72,565	\$ 421,743	\$ 1,722,026	\$ 443,136	\$ 2,659,470	\$ 280,693	\$ 257,656	\$ 538,349	\$ 3,197,819
Payroll taxes and employee benefits (Notes 6 and 10)	8,175	86,180	403,182	71,965	569,502	35,122	38,842	73,964	643,466
Total Salaries and Related Costs	80,740	507,923	2,125,208	515,101	3,228,972	315,815	296,498	612,313	3,841,285
Salaries and fringe - grant funded Park positions	-	-	363,597	-	363,597	-	-	-	363,597
Contracted services and professional fees	32,000	50,359	759,882	68,067	910,308	28,009	104,419	132,428	1,042,736
Office expenses (Note 6)	-	7,330	39,112	1,094	47,536	354,255	-	354,255	401,791
Park maintenance, supplies and equipment (Note 6)	-	281,755	1,187,645	-	1,469,400	-	-	-	1,469,400
Event and general fundraising expenses	-	-	-	-	-	-	152,150	152,150	152,150
Outreach and community events	-	-	-	230,843	230,843	-	-	-	230,843
Marketing and communications	-	-	-	-	-	38,280	-	38,280	38,280
TOTAL EXPENSES	\$ 112,740	\$ 847,367	\$ 4,475,444	\$ 815,105	\$ 6,250,656	\$ 736,359	\$ 553,067	\$ 1,289,426	\$ 7,540,082

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 304,158	\$ 1,077,548
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions and license revenue receivable	(119,171)	42,128
Prepaid expenses and other assets	(55,510)	(7,934)
Prepaid expenses - City of New York/Parks and Recreation	(1,779)	(27,469)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	9,145	(102,519)
Deferred events revenue	(85,000)	(247,500)
Net Cash Provided by Operating Activities	51,843	734,254
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,843	734,254
Cash and cash equivalents - beginning of year	6,070,455	5,336,201
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,122,298	\$ 6,070,455

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 1—ORGANIZATION AND NATURE OF ACTIVITIES

The Randall's Island Park Alliance, Inc. (the "Alliance") is a not-for-profit public/private partnership with the City of New York/Parks & Recreation ("Parks Department") and is a tax exempt organization under the Internal Revenue Code and the laws of New York State. The Alliance's mission is to provide an innovative and exciting destination through a wide range of sports venues, cultural events and environmental exploration. As the dedicated steward of Randall's Island Park, the Alliance sustains, maintains, develops and programs the Park to support the wellbeing of all New Yorkers. The Alliance, formerly known as the Randall's Island Sports Foundation, was founded in 1992 as part of the City Parks Foundation and incorporated on January 24, 1994, under Section 402 of the Not-for-Profit Corporation Law of the State of New York.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting*** – The Alliance's financial statements have been prepared on the accrual basis of accounting. The Alliance adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. ***Contributions*** – Cash contributions and unconditional promises to give are recorded as revenue when received. Conditional promises to give are recognized when they become unconditional, that is, when the conditions are substantially met. It is the Alliance's practice to discount promises to give due in more than one year to present value unless the amount is immaterial. Contributions 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 Alliance had no permanently restricted net assets as of December 31, 2015 and 2014, respectively.
- C. ***Cash and Cash Equivalents*** – The Alliance considers all highly liquid instruments with maturities of 3 months or less when acquired to be cash equivalents.
- D. ***Allowance for Uncollectible Receivables*** – The Alliance determines whether an allowance for uncollectible receivables should be provided for contributions and license revenue receivable. Such estimates are based on management's assessment of the aged basis of the receivable, current economic conditions and historical information. As of December 31, 2015 and 2014, the Alliance determined that no allowance was necessary.
- E. ***In-kind Contributions*** – In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. The Alliance 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.
- F. ***Functional Allocation of Expenses*** – The costs of providing the various program services and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited.
- G. ***Use of Estimates*** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.
- H. ***Deferred Events Revenue*** – The Alliance receives cash in advance of special events that are to be held after the statements of financial position date. It is the Alliance's policy to refund all cash received in advance of special events for the exchange portion if the event is subsequently cancelled. Cash received in excess of revenue recognized is recorded as deferred event revenue.

**RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- I. **Special Events Revenue** – The Alliance conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. These costs are netted against special events revenue.

NOTE 3—CONTRIBUTIONS AND LICENSE REVENUE RECEIVABLE

As of December 31, 2015 and 2014, contributions and license revenue receivables are scheduled to be received as follows:

	<u>2015</u>	<u>2014</u>
Amount due in less than one year	\$ 339,012	\$ 119,841
Amount due in one to five years	<u>50,000</u>	<u>150,000</u>
	<u>\$ 389,012</u>	<u>\$ 269,841</u>

NOTE 4—BOARD DESIGNATED RESERVE FUND

The Alliance's Board has established a reserve fund which will be used to build capacity for fields maintenance and for future capital projects. The reserve fund is unrestricted and held in cash and cash equivalents. As of December 31, 2015 and 2014, the reserve fund amounted to \$1,038,738 and \$1,046,238, respectively.

NOTE 5—LICENSE REVENUE

Effective December 31, 2001, the Alliance entered into a License Agreement ("License") with the Parks Department. The License provides for the Alliance to directly receive revenues from park events, or services it provides, which are used to offset expenses incurred by the Alliance 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, 2015, the Alliance has incurred expenses for the operations of Randall's Island Park in excess of revenues received in accordance with the License. The agreement was renewed on December 24, 2012 for a ten year term, which will expire as of December 24, 2022.

NOTE 6—PREPAID EXPENSES – CITY OF NEW YORK/PARKS AND RECREATION

The Alliance 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 Alliance to the use of Parks Department personnel and services during the Parks Department fiscal year. During the years ended December 31, 2015 and 2014, the expenditures relating to these annual payments are included in the statements of functional expenses as salaries, payroll taxes and employee benefits, management, general and operating expenses, and park maintenance, supplies and equipment. Prepaid expenses which are not used by June 30 of the following year are retained by the Parks Department and included in the statements of functional expenses as program service and management and general expenses.

NOTE 7—IN-KIND SUPPORT AND CONTRIBUTED SERVICES

The Parks Department allows the Alliance to use some of its space located at 24 West 61st Street, New York, NY. No rent is paid by the Alliance. The Alliance has estimated the rental value based on average asking rents for their location. In addition, the Parks Department allows the Alliance to use its phones and computer equipment, and provides the Alliance with some office supplies. The value of in-kind contributions for the years ended December 31, 2015 and 2014, amounted to \$124,953 and \$98,115, respectively. These amounts are included in the accompanying statements of activities as in-kind support and are offset by like amounts included in expenses.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 7—IN-KIND SUPPORT AND CONTRIBUTED SERVICES (Continued)

A substantial number of volunteers have donated significant amounts of their time to the Alliance for various projects. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under U.S. GAAP have not been satisfied.

NOTE 8—CAPITAL IMPROVEMENTS

Capital improvements, title to which rests with the City of New York, developed through public funding secured by the Alliance are ongoing, and include Waterfront Pathways, Environmental Restoration, Seawall Reconstruction, Infrastructure and Access Improvements, and Sports Fields Development.

NOTE 9—CONTINGENCIES

- A. The Alliance believes it has no uncertain tax positions as of December 31, 2015 and 2014, in accordance with Accounting Standards Codification ("ASC") Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. 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 Alliance 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 Alliance 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 Alliance 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. Therefore, the Alliance's management believes that the return of funds is probable.

NOTE 10—403(B) SAVINGS PLAN

The Alliance maintains 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, 2015 and 2014, amounted to \$42,346 and \$32,144, respectively.

NOTE 11—CONCENTRATION OF CREDIT RISK

Cash and cash equivalents that potentially subject the Alliance to a concentration of credit risk include cash accounts with a bank that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. Interest-bearing accounts are insured up to \$250,000 per depositor. As of December 31, 2015 and 2014, there was approximately \$5,663,000 and \$5,725,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits. Such excess includes outstanding checks.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Time restrictions	<u>\$ 300,000</u>	<u>\$ 225,000</u>

Net assets released from restrictions during the years ended December 31, 2015 and 2014, amounted to \$75,000 and \$25,000, respectively.

NOTE 13—SPECIAL EVENTS REVENUE

In 2009, the IRS redesigned Form 990 and, among other changes, restructured the reporting of special events in order to elucidate the return benefit and donated portions associated with sales of tickets to charitable fundraising events. The overall revenue for the 2015 and 2014 annual benefit events amounted to \$1,425,325 and \$1,480,110, respectively.

NOTE 14—SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 7, 2016, the date the financial statements were available to be issued.