



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

For the Years Ended December 31, 2016 and 2015

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, 2016 AND 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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.



New York, NY
May 24, 2017

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents (Notes 2C, 4 and 11)	\$ 6,824,572	\$ 6,122,298
Contributions and license revenue receivable (Notes 2D and 3)	257,140	389,012
Prepaid expenses and other assets	163,895	159,884
Prepaid expenses - City of New York/Parks and Recreation (Note 6)	89,211	164,770
TOTAL ASSETS	\$ 7,334,818	\$ 6,835,964
LIABILITIES		
Accounts payable and accrued expenses	\$ 180,373	\$ 187,000
Due to Randall's Island Field Groups, LLC (Note 9B)	-	400,000
Deferred events revenue (Note 2H)	93,340	61,084
TOTAL LIABILITIES	273,713	648,084
CONTINGENCIES (Note 9)		
NET ASSETS (Note 2B)		
Unrestricted		
Operating	5,246,576	4,849,142
Board designated reserve fund (Note 4)	1,609,529	1,038,738
Total unrestricted	6,856,105	5,887,880
Temporarily restricted (Note 12)	205,000	300,000
TOTAL NET ASSETS	7,061,105	6,187,880
TOTAL LIABILITIES AND NET ASSETS	\$ 7,334,818	\$ 6,835,964

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Year Ended December 31, 2016			Year Ended December 31, 2015		
	Unrestricted	Temporarily Restricted	Total 2016	Total 2015	Unrestricted	Temporarily Restricted
REVENUE, INTEREST INCOME AND OTHER SUPPORT:						
Special events revenue (Notes 2I and 13)	\$ 1,659,314	\$ -	\$ 1,659,314	\$ 1,425,325	\$ 1,425,325	\$ -
Less: cost of direct benefit to donors	<u>(203,090)</u>	<u>-</u>	<u>(203,090)</u>	<u>(235,039)</u>	<u>(235,039)</u>	<u>-</u>
Net revenues from special events	1,456,224	-	1,456,224	1,190,286	1,190,286	-
Pledges and contributions - capital projects (Notes 2B and 2J)	85,520	-	85,520	591,642	591,642	-
Grants and contributions (Notes 2B and 2J)	2,378,521	75,000	2,453,521	2,358,882	2,208,882	150,000
In-kind support (Notes 2E and 7)	142,607	-	142,607	124,953	124,953	-
License revenue (Note 5)	5,675,598	-	5,675,598	5,174,846	5,174,846	-
Interest income	7,462	-	7,462	8,566	8,566	-
Net assets released from restrictions (Note 12)	<u>170,000</u>	<u>(170,000)</u>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>(75,000)</u>
TOTAL REVENUE, INTEREST INCOME AND OTHER SUPPORT	<u>9,915,932</u>	<u>(95,000)</u>	<u>9,820,932</u>	<u>9,449,175</u>	<u>9,374,175</u>	<u>75,000</u>
EXPENSES (Note 2F):						
Program Services:						
Capital projects	1,482,533	-	1,482,533	771,310	771,310	-
Icahn stadium	1,098,590	-	1,098,590	1,720,082	1,720,082	-
Maintenance and improvement of parkland	3,545,197	-	3,545,197	4,065,770	4,065,770	-
Other programming expenses	<u>1,107,006</u>	<u>-</u>	<u>1,107,006</u>	<u>1,082,206</u>	<u>1,082,206</u>	<u>-</u>
Total program services	7,233,326	-	7,233,326	7,639,368	7,639,368	-
Supporting Services:						
Management and general	873,985	-	873,985	823,641	823,641	-
Fundraising	<u>840,396</u>	<u>-</u>	<u>840,396</u>	<u>682,008</u>	<u>682,008</u>	<u>-</u>
Total supporting services	1,714,381	-	1,714,381	1,505,649	1,505,649	-
TOTAL EXPENSES	<u>8,947,707</u>	<u>-</u>	<u>8,947,707</u>	<u>9,145,017</u>	<u>9,145,017</u>	<u>-</u>
CHANGE IN NET ASSETS	968,225	(95,000)	873,225	304,158	229,158	75,000
Net assets - beginning 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>
NET ASSETS - END OF YEAR	<u>\$ 6,856,105</u>	<u>\$ 205,000</u>	<u>\$ 7,061,105</u>	<u>\$ 6,187,880</u>	<u>\$ 5,887,880</u>	<u>\$ 300,000</u>

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Totals For December 31, 2015)

	For the Year Ended December 31, 2016									
	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 2016	Total 2015
Salaries (Note 6)	\$ 82,955	\$ 437,290	\$ 1,371,032	\$ 779,676	\$ 2,670,953	\$ 362,939	\$ 322,466	\$ 685,405	\$ 3,356,358	\$ 3,287,372
Payroll taxes and employee benefits (Notes 6 and 10)	15,173	123,266	261,940	165,707	566,086	158,831	62,796	221,627	787,713	736,296
Total Salaries and Related Costs	98,128	560,556	1,632,972	945,383	3,237,039	521,770	385,262	907,032	4,144,071	4,023,668
Salaries and fringe - grant funded Park positions	-	-	495,559	-	495,559	-	-	-	495,559	462,971
Contracted services and professional fees	1,384,405	12,571	567,478	24,695	1,989,149	58,471	4,133	62,604	2,051,753	1,623,033
Office expenses (Note 6)	-	4,208	49,372	1,928	55,508	265,924	-	265,924	321,432	389,509
Park maintenance, supplies and equipment (Note 6)	-	521,255	799,816	-	1,321,071	-	-	-	1,321,071	2,255,199
Event and general fundraising expenses	-	-	-	-	-	-	446,001	446,001	446,001	219,278
Outreach and community events	-	-	-	135,000	135,000	-	-	-	135,000	161,166
Marketing and communications	-	-	-	-	-	27,820	5,000	32,820	32,820	10,193
TOTAL EXPENSES	\$ 1,482,533	\$ 1,098,590	\$ 3,545,197	\$ 1,107,006	\$ 7,233,326	\$ 873,985	\$ 840,396	\$ 1,714,381	\$ 8,947,707	\$ 9,145,017

**RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Program Services					Supporting Services			Total 2015
	Capital Projects	Icahn Stadium	Maintenance and Improvement of Parkland	Other Programming Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries (Note 6)	\$ 79,343	\$ 446,994	\$ 1,309,325	\$ 735,639	\$ 2,571,301	\$ 353,967	\$ 362,104	\$ 716,071	\$ 3,287,372
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
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
Salaries and fringe - grant funded Park positions	-	-	462,971	-	462,971	-	-	-	462,971
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
Office expenses (Note 6)	-	8,024	54,617	1,564	64,205	325,304	-	325,304	389,509
Park maintenance, supplies and equipment (Note 6)	-	1,127,639	1,127,560	-	2,255,199	-	-	-	2,255,199
Event and general fundraising expenses	-	-	-	-	-	-	219,278	219,278	219,278
Outreach and community events	-	-	-	161,166	161,166	-	-	-	161,166
Marketing and communications	-	-	-	-	-	5,193	5,000	10,193	10,193
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

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 873,225	\$ 304,158
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions and license revenue receivable	131,872	(119,171)
Prepaid expenses and other assets	(4,011)	(55,510)
Prepaid expenses - City of New York/Parks and Recreation	75,559	(1,779)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(6,627)	9,145
Due to Randall's Island Field Groups, LLC	(400,000)	-
Deferred events revenue	32,256	(85,000)
Net Cash Provided by Operating Activities	702,274	51,843
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 702,274	 51,843
Cash and cash equivalents - beginning of year	6,122,298	6,070,455
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,824,572	\$ 6,122,298

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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 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. ***Basis of Net Asset Presentation*** – The Alliance maintains its net assets under the following classes:

- a. Unrestricted – includes the net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations
- b. Temporarily restricted – includes gifts of cash and other assets received with donor stipulations that limit the use of donated assets. When a donor restriction expires or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the gift is received, the Alliance reports the support as unrestricted.

The Alliance did not have any permanently restricted net assets as of December 31, 2016 and 2015, which are defined as restricted by the donor to be held in perpetuity.

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, 2016 and 2015, 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 activities and 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.

**RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.
- 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.
- J. **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.

NOTE 3—CONTRIBUTIONS AND LICENSE REVENUE RECEIVABLE

As of December 31, 2016 and 2015, contributions and license revenue receivables are scheduled to be received as follows:

	<u>2016</u>	<u>2015</u>
Amount due in less than one year	\$ 232,140	\$ 339,012
Amount due in one to five years	<u>25,000</u>	<u>50,000</u>
	<u>\$ 257,140</u>	<u>\$ 389,012</u>

The Alliance does not discount to present value any receivables due in more than one year, unless material.

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, 2016 and 2015, the reserve fund amounted to \$1,609,529 and \$1,038,738, respectively.

NOTE 5—LICENSE REVENUE

The Alliance has 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. The License expires on December 24, 2022.

NOTE 6— CITY OF NEW YORK/PARKS AND RECREATION

The Alliance pays the Parks Department for the use of Parks Department personnel and services. During the years ended December 31, 2016 and 2015, payments to the Parks Department amounted to \$420,000 and are reported in the accompanying statements of functional expenses as salaries, payroll taxes and employment benefits, management, general and operating expenses, and park maintenance, supplies and equipment. As of December 31, 2016 and 2015, the Alliance paid the Parks Department \$89,211 and \$164,770, respectively, for future services. Such amounts are reflected as prepaid expenses on the accompanying statements of financial position.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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, 2016 and 2015, amounted to \$142,607 and \$124,953, respectively. These amounts are included in the accompanying statements of activities as in-kind support and are offset by like amounts included in expenses.

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, 2016 and 2015, in accordance with Accounting Standards Codification (“ASC”) Topic 749, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. In June 2009, the 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. This amount was repaid to the Fields Group during the year ended December 31, 2016.

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, 2016 and 2015, amounted to \$52,306 and \$42,346, 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 banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. FDIC participating banks insure up to \$250,000 per depositor. As of December 31, 2016 and 2015, there was approximately \$6,876,000 and \$5,663,000, 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, 2016 AND 2015

NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Time restrictions	<u>\$ 205,000</u>	<u>\$ 300,000</u>

Net assets released from restrictions during the years ended December 31, 2016 and 2015, amounted to \$170,000 and \$75,000, respectively.

NOTE 13—SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through May 24, 2017, the date the financial statements were available to be issued.