

**RIVERSIDE PARK CONSERVANCY, INC.  
AND AFFILIATE**

**Consolidated Financial Statements  
For the Year Ended  
December 31, 2014**

**Independent Auditor's Report**

To the Board of Directors of  
Riverside Park Conservancy, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of Riverside Park Conservancy, Inc. and Affiliate which comprise the consolidated statement of financial position as of December 31, 2014 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the statement of financial position of Riverside Park Conservancy, Inc. and Affiliate as of December 31, 2014 and the results of their activities and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Condon O'Meara McGinty & Donnelly LLP

April 21, 2015

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Consolidated Statement of Financial Position  
December 31, 2014**

**Assets**

<b>Current assets</b>	
Cash and cash equivalents	\$1,182,646
Accounts receivable	<u>2,399</u>
Total current assets	1,185,045
<b>Investments, at fair value</b>	<u>921,803</u>
<b>Total assets</b>	<b><u>\$2,106,848</u></b>

**Liabilities and Net Assets**

<b>Current liabilities</b>	
Accounts payable	<u>\$ 41,652</u>
<b>Net assets</b>	
Unrestricted	220,688
Temporarily restricted	1,260,004
Permanently restricted	<u>584,504</u>
Total net assets	<u>2,065,196</u>
<b>Total liabilities and net assets</b>	<b><u>\$2,106,848</u></b>

See notes to consolidated financial statements.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Consolidated Statement of Activities  
For the Year Ended December 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Public support and revenue</b>				
Contributions	\$ 465,273	\$ 744,492	\$ 25,050	\$ 1,234,815
Special events proceeds (net of direct benefits to donors of \$17,613)	406,927	-	-	406,927
Interest and dividends	1,326	17,657	-	18,983
RCTA fees	338,255	-	-	338,255
Sports camp fees	665,452	-	-	665,452
Other	177,732	-	-	177,732
Net assets released from restrictions	<u>591,853</u>	<u>(591,853)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>2,646,818</u>	<u>170,296</u>	<u>25,050</u>	<u>2,842,164</u>
<b>Expenses</b>				
Program services				
Park projects	445,562	-	-	445,562
Park user services	1,342,689	-	-	1,342,689
Volunteers	<u>340,417</u>	<u>-</u>	<u>-</u>	<u>340,417</u>
Total program services	<u>2,128,668</u>	<u>-</u>	<u>-</u>	<u>2,128,668</u>
Supporting services				
Management and general	209,283	-	-	209,283
Fundraising	<u>362,048</u>	<u>-</u>	<u>-</u>	<u>362,048</u>
Total supporting services	<u>571,331</u>	<u>-</u>	<u>-</u>	<u>571,331</u>
Total expenses	<u>2,699,999</u>	<u>-</u>	<u>-</u>	<u>2,699,999</u>
Increase (decrease) in net assets from operating activities	(53,181)	170,296	25,050	142,165
Non-operating activities				
Unrealized gain on investments	<u>-</u>	<u>75,325</u>	<u>-</u>	<u>75,325</u>
<b>Increase (decrease) in net assets</b>	<b>(53,181)</b>	<b>245,621</b>	<b>25,050</b>	<b>217,490</b>
<b>Net assets, beginning of year</b>	<b><u>273,869</u></b>	<b><u>1,014,383</u></b>	<b><u>559,454</u></b>	<b><u>1,847,706</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 220,688</u></b>	<b><u>\$ 1,260,004</u></b>	<b><u>\$ 584,504</u></b>	<b><u>\$ 2,065,196</u></b>

See notes to consolidated financial statements.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2014

	Program Services			Management and General		Supporting Services		Total Expenses
	Park Projects	Park User Services	Volunteers	Total	General	Fundraising	Total	
Salaries	\$ 239,955	\$ 374,096	\$ 200,030	\$ 814,081	\$ 127,902	\$ 177,737	\$ 305,639	\$1,119,720
Payroll taxes and employee benefits	53,041	82,497	44,224	179,762	28,281	39,299	67,580	247,342
Total salaries and related costs	292,996	456,593	244,254	993,843	156,183	217,036	373,219	1,367,062
Professional fees	3,811	6,977	3,177	13,965	14,625	43,448	58,073	72,038
Tennis Association lessons and junior programming	731	73,606	609	74,946	389	541	930	75,876
Occupancy	9,472	14,730	7,896	32,098	5,050	7,017	12,067	44,165
Communications	7,566	16,984	6,308	30,858	16,755	10,822	27,577	58,435
Minor equipment and equipment rental	323	323	323	969	5,173	323	5,496	6,465
Administrative	2,404	42,761	2,004	47,169	3,761	21,319	25,080	72,249
Insurance	6,958	10,822	5,801	23,581	3,710	5,155	8,865	32,446
Park events	-	129,767	-	129,767	-	-	-	129,767
Park supplies	20,129	11,241	59,678	91,048	-	-	-	91,048
Volunteer recognition and appreciation	-	-	10,367	10,367	-	-	-	10,367
Park improvements	101,172	26,768	-	127,940	-	-	-	127,940
Sports camp	-	549,482	-	549,482	-	-	-	549,482
Special event	-	-	-	-	-	56,387	56,387	56,387
Depreciation	-	-	-	-	2,224	-	2,224	2,224
Other	-	2,635	-	2,635	1,413	-	1,413	4,048
<b>Total</b>	<b>\$ 445,562</b>	<b>\$1,342,689</b>	<b>\$ 340,417</b>	<b>\$2,128,668</b>	<b>\$ 209,283</b>	<b>\$ 362,048</b>	<b>\$ 571,331</b>	<b>\$2,699,999</b>

See notes to consolidated financial statements.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2014**

<b>Cash flows from operating activities</b>	
Increase in net assets	\$ 217,490
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	2,224
Fair value of donated stock	(17,788)
Proceeds from sale of donated stock	2,497
Unrealized (gain) on investments	(75,325)
Permanently restricted contributions	(25,050)
(Increase) in assets	
Accounts receivable	(2,399)
(Decrease) in liabilities	
Accounts payable	<u>(14,075)</u>
Net cash provided by operating activities	<u>87,574</u>
<b>Cash flows from investing activities</b>	
Purchases of investments	(17,658)
Net change in money market funds	<u>7,193</u>
Net cash (used in) investing activities	<u>(10,465)</u>
<b>Cash flows provided by financing activities</b>	
Permanently restricted contributions	<u>25,050</u>
Net increase in cash and cash equivalents	102,159
Cash and cash equivalents, beginning of year	<u>1,080,487</u>
Cash and cash equivalents, end of year	<u>\$1,182,646</u>

See notes to consolidated financial statements.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE****Notes to Consolidated Financial Statements  
December 31, 2014****Note 1 – Nature of organizations****Riverside Park Conservancy, Inc.**

Riverside Park Conservancy, Inc. (the “Conservancy”) is a private, not-for-profit corporation established in 1986. The Conservancy was organized to help restore, maintain and improve Riverside Park (the “Park”). Stretching four miles along the Hudson River from 59<sup>th</sup> Street to 158<sup>th</sup> Street on Manhattan’s Upper West Side, Riverside Park’s over 330 acres provide recreation and relaxation for a very diverse population.

The Conservancy’s goals are to raise private funds for the Park, serve as its advocate, and educate the public about the park, strengthening the constituency for its long-term preservation. The Conservancy manages park projects such as restoring pathways and facilities, resurfacing playing fields and dog runs, and rehabilitating large horticulture areas. It also supports park users at playgrounds, tennis courts and community gardens and sponsors free programming and events. The Conservancy also directs an extensive corps of volunteers, one of the largest in the City of New York.

The Conservancy works in partnership with the New York City Department of Parks and Recreation and uses the grounds and facilities of Riverside Park to further its exempt purpose. The Park is owned by the City of New York. All improvements made by the Conservancy to the Park inure to the benefit of New York City.

**Riverside Tennis Association, LLC**

The Riverside Tennis Association, LLC (the “RTA”) was founded in the early 1980’s in order to protect the 10 public clay tennis courts in Riverside Park at 97<sup>th</sup> Street along the Hudson River. During the 2007 fiscal year, the Conservancy entered into an agreement whereby it became the sole member of the RTA.

**Note 2 – Summary of significant accounting policies****Principles of consolidation**

The accompanying consolidated financial statements include the activity of both entities. All material intercompany accounts and transactions have been eliminated in consolidation.

**Change in fiscal year-end**

On November 18, 2013, the Board of Directors approved changing the Conservancy’s fiscal year (June 30) to a calendar year (December 31), effective on July 1, 2013. Due to this change, the accompanying financial statements include only the Conservancy’s financial activities for the year ended December 31, 2014.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE****Notes to Consolidated Financial Statements (continued)  
December 31, 2014****Note 2 – Summary of significant accounting policies (continued)****Net assets**

The Conservancy reports information regarding its consolidated financial position and consolidated activities into three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

- Unrestricted net assets consist of all activity without donor imposed restrictions.
- Temporarily restricted net assets consist of activity based on specific donor restrictions that are expected to be satisfied by passage of time or performance of activities.
- Permanently restricted net assets consist of activity restricted by donors that must remain intact in perpetuity.

**Cash and cash equivalents**

The Conservancy considers highly liquid assets with original maturities of 90 days or less to be cash equivalents, unless such assets are held as part of its investment strategy in which case these assets are included in investments.

**Investments**

The fair value of the investments is based on publicly quoted prices. The cost of investments sold is determined on an average cost basis. Investment return is allocated between unrestricted and temporarily restricted net assets.

**Fair value measurements**

For assets measured at fair value on a recurring basis as of December 31, 2014, accounting principles generally accepted in the United States of America require quantitative disclosures about the fair value measurements separately for each major class of assets. The Conservancy's investments have all been classified in the highest level of hierarchy (Level 1). Its quoted prices are in active markets for identical assets.

**Contributions receivable**

Contributions including unconditional promises to give ("pledges") are recognized as revenue in the period received and when the conditions on which they depend have been substantially met. Conditional promises to give are recognized when the conditions on which they depend are substantially met.



**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE****Notes to Consolidated Financial Statements (continued)****December 31, 2014****Note 2 – Summary of significant accounting policies (continued)****Property and equipment**

Expenditures of property and equipment, that the Conservancy retains title to and leasehold improvements which benefit future periods, above a nominal amount and with a useful life greater than one year, are capitalized at cost, or if donated, at the estimated fair value at the time of donation. Depreciation or amortization is computed using the straight-line method over the assets estimated useful life or the life of the lease, which range from five to seven years. The Conservancy's property and equipment are fully depreciated and amortized.

**Contributions**

Contributions received including unconditional promises to give, are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or absence of donor restrictions, at the time of receipt or promise. Donor-restricted contributions that have their restriction met within the fiscal year are reported as unrestricted revenue. Restrictions that are not met are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can be reasonably determined.

**In-kind services**

Organizations are required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Conservancy. These services do not meet the criteria to be recorded and have not been included in the consolidated financial statements.

**Functional expenses**

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Use of estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results could differ from these estimates.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements (continued)**

**December 31, 2014**

**Note 2 – Summary of significant accounting policies (continued)**

**Concentrations of credit risk**

The Conservancy's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents and investments. The Conservancy places its cash and cash equivalents with what it believes to be quality financial institutions and invests in mutual funds. At times, cash balances were in excess of the FDIC insurance limit. However, the Conservancy has not experienced any losses in these accounts to date. The Conservancy's investments are subject to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the consolidated statement of financial position at December 31, 2014. The Conservancy routinely assesses the financial strength of its cash, cash equivalents and investment portfolio. As a consequence, management believes concentrations of credit risk are limited.

**Subsequent events**

The Conservancy has evaluated events and transactions for potential recognition or disclosure through April 21, 2015, which is the date the consolidated financial statements were available to be issued.

**Note 3 – Investments**

The following is a summary of the investments at fair value held by the Conservancy as of December 31, 2014:

Money market funds	\$ 229,835
Vanguard long-term bond index fund	263,147
Vanguard 500 stock index fund	413,532
Equities	14,773
Mutual funds	<u>516</u>
Total	<u>\$ 921,803</u>

**Note 4 – Temporarily restricted net assets**

The following summarizes the changes in temporarily restricted net assets for the year ended December 31, 2014:

	Balance, December 31, <u>2013</u>	Contributions and Investment Return	Net assets Released	Balance, December 31, <u>2014</u>
Programs:				
User group programs	\$ 753,066	\$ 744,492	\$ 574,853	\$ 922,705
Unspent investment return earned on endowment funds	<u>261,317</u>	<u>92,982</u>	<u>17,000</u>	<u>337,299</u>
Total	<u>\$1,014,383</u>	<u>\$ 837,474</u>	<u>\$ 591,853</u>	<u>\$1,260,004</u>

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements (continued)**  
**December 31, 2014**

**Note 5 – Endowment funds**

The Conservancy acts prudently when making decisions to spend or accumulate donor restricted endowment assets and in doing so, considers a number of factors including the duration and preservation of its donor restricted endowment funds. The Conservancy classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment.

The Conservancy's long-term assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Conservancy, the Board of Directors takes into account a number of factors including the financial needs and circumstances of the Conservancy, the time horizon available for investment, the nature of the Conservancy's cash flows and liabilities, and other factors that affect their risk tolerance.

The investment return generated from its permanently restricted funds is recorded as temporarily restricted until such time as appropriated by the Board of Directors or until it is spent in accordance with the donor's terms.

From time to time the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires. There were no such deficiencies as of December 31, 2014.

Permanently restricted net assets consist of the following as of December 31, 2014:

103 <sup>rd</sup> and 107 <sup>th</sup> Street Ballfields Endowment	\$ 200,000
Peter Jay Sharp Volunteer House	100,000
Volunteer Grant Program	75,000
Alex and Thelma Schwarz Fund	50,000
Neufeld Playground at 76 <sup>th</sup> Street	50,000
Ralph Ellison Memorial	50,000
Warsaw Ghetto Memorial Plaza	47,504
Firemen's Memorial Island	<u>12,000</u>
Total	<u>\$ 584,504</u>

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE****Notes to Consolidated Financial Statements (continued)  
December 31, 2014****Note 6 – Commitments****Office and storage space**

The Conservancy leases office and storage space under a non-cancelable operating lease expiring on September 30, 2017. The Conservancy's annual rent is equal to the Conservancy's proportionate share of the landlord's carrying, maintenance, operating and depreciation charges, along with the scheduled contributions to the landlord's capital improvement funds. The Conservancy's proportionate share of its expenses is based on its proportionate share of its square footage in the building, as defined in the agreement. The annual rent is also subject to an annual increase based on the increase in the landlord's expenses. Rent expense for the year ended December 31, 2014 is \$44,165.

**License agreement**

The Conservancy and the New York City Department of Parks and Recreation ("Parks") entered into a licensing agreement on March 31, 2006 which granted the Conservancy a license to maintain, operate, improve and provide programming in Riverside Park. The agreement is subject to certain terms and conditions and further subject to renewal at the discretion of Parks and upon request by the Conservancy. In May 2011, this license agreement was renewed and the term of the agreement will expire on March 30, 2016.

**Note 7 – Retirement plan**

The Conservancy maintains a 401(k) plan for all eligible employees. Employees may make contributions to the plan in accordance with limits established by the Internal Revenue Service. The Conservancy does not make any matching contributions to the plan.

**Note 8 – Tax status**

The Conservancy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Conservancy has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation, within the meaning of Section 509(a)(1) of the Code. The RTA is a limited liability corporation. Since the Conservancy is the sole member of the RTA, it is considered a disregarded entity for tax purposes. As of December 31, 2014, no amounts have been recognized for uncertain income tax positions. The Conservancy's tax returns for 2011 and forward are subject to the usual review by the appropriate authorities.