



**OPEN SPACE ALLIANCE FOR NORTH
BROOKLYN, INC. AND AFFILIATE**

Combined Audited Financial Statements

December 31, 2015

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Open Space Alliance for North Brooklyn, Inc. and Affiliate

Report on the Financial Statements

We have audited the accompanying combined financial statements of Open Space Alliance for North Brooklyn, Inc. and Affiliate (the "Organization"), which comprise the combined statement of financial position as of December 31, 2015, and the related combined statements of activities, functional expenses, and cash flows for the year 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 combined 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 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 combined 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the combined 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 organization'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Open Space Alliance for North Brooklyn, Inc. and Affiliate as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 combined financial statements, and we expressed an unmodified audit opinion on those combined audited financial statements in our report dated June 4, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014 is consistent, in all material respects, with the combined audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 10, 2016

OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
COMBINED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015
(With comparative totals as of December 31, 2014)

	<u>2015</u>	<u>2014</u>
Assets		
Cash and cash equivalents	\$204,329	\$126,892
Contributions receivable	8,541	46,696
Prepaid expenses and other assets	0	535
Fixed assets, net (Note 3)	<u>5,108</u>	<u>15,328</u>
Total assets	<u><u>\$217,978</u></u>	<u><u>\$189,451</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	<u>\$31,990</u>	<u>\$74,232</u>
Total liabilities	<u>31,990</u>	<u>74,232</u>
Net assets:		
Unrestricted	110,977	18,309
Temporarily restricted (Note 4)	<u>75,011</u>	<u>96,910</u>
Total net assets	<u>185,988</u>	<u>115,219</u>
Total liabilities and net assets	<u><u>\$217,978</u></u>	<u><u>\$189,451</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
(With comparative totals for the year ended December 31, 2014)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2015</u>	<u>Total 2014</u>
Public support and revenue:				
Contributions	\$60,266	\$8,455	\$68,721	\$134,436
Government grants		8,493	8,493	20,952
Special events (net of direct benefit to donors)	171,054		171,054	162,557
Program fees	339,682		339,682	221,931
Admissions, concessions and other revenue	21,690		21,690	41,849
Interest income	93		93	115
Total revenue	<u>592,785</u>	<u>16,948</u>	<u>609,733</u>	<u>581,840</u>
Net assets released from restrictions:				
Satisfaction of program and time restrictions	<u>38,847</u>	<u>(38,847)</u>	<u>0</u>	<u>0</u>
Total public support and revenue	<u>631,632</u>	<u>(21,899)</u>	<u>609,733</u>	<u>581,840</u>
Expenses:				
Program services	<u>379,844</u>		<u>379,844</u>	<u>501,139</u>
Supporting services:				
Management and general	94,605		94,605	88,271
Fundraising	<u>64,515</u>		<u>64,515</u>	<u>76,983</u>
Total supporting services	<u>159,120</u>	<u>0</u>	<u>159,120</u>	<u>165,254</u>
Total expenses	<u>538,964</u>	<u>0</u>	<u>538,964</u>	<u>666,393</u>
Change in net assets	92,668	(21,899)	70,769	(84,553)
Net assets - beginning of year	<u>18,309</u>	<u>96,910</u>	<u>115,219</u>	<u>199,772</u>
Net assets - end of year	<u><u>\$110,977</u></u>	<u><u>\$75,011</u></u>	<u><u>\$185,988</u></u>	<u><u>\$115,219</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

(With comparative totals for the year ended December 31, 2014)

	Supporting Services			Total Supporting Services	Total Expenses 2015	Total Expenses 2014
	Program Services	Management and General	Fundraising			
Salaries	\$149,558	\$48,580	\$45,902	\$94,482	\$244,040	\$327,849
Payroll taxes and employee benefits	17,568	5,707	5,392	11,099	28,667	29,231
Professional fees	2,000	21,200		21,200	23,200	29,725
Production equipment	1,576			0	1,576	77,108
Event expenses	126,166		11,429	11,429	137,595	37,142
Park improvements	32,744			0	32,744	60,160
Ice rink rental & operations				0	0	36,025
Office expense	5,839	1,896	1,792	3,688	9,527	13,409
Advertising and promotion		824		824	824	4,527
Insurance	34,393	5,842		5,842	40,235	38,219
Bad debt	10,000			0	10,000	0
Travel		336		336	336	2,779
Depreciation		10,220		10,220	10,220	10,219
Total expenses	\$379,844	\$94,605	\$64,515	\$159,120	\$538,964	\$666,393

The attached notes and auditors' report are an integral part of these financial statements.

OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

(With comparative totals for the year ended December 31, 2014)

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$70,769	(\$84,553)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation	10,220	10,219
Change in assets and liabilities:		
Contributions receivable	38,155	(26,899)
Ice rink admission receivable	0	86,612
Prepaid expenses and other assets	535	527
Accounts payable and accrued expenses	<u>(42,242)</u>	<u>(110,391)</u>
Total adjustments	<u>6,668</u>	<u>(39,932)</u>
Net cash provided by/(used for) operating activities/ net increase/(decrease) in cash and cash equivalents	77,437	(124,485)
Cash and cash equivalents - beginning of year	<u>126,892</u>	<u>251,377</u>
Cash and cash equivalents - end of year	<u><u>\$204,329</u></u>	<u><u>\$126,892</u></u>
Supplemental disclosure of cash flow information:		
Total interest and income taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 1 - Organization

The accompanying combined financial statements include the combination of Open Space Alliance for North Brooklyn, Inc. ("OSA") and their affiliate, OSA Presents, Inc. (collectively, the "Organization"). All inter-company transactions have been eliminated.

OSA is a not-for-profit organization which, through fundraising and working with the community, elected officials and the New York City Parks Department, furthers the restoration and preservation of the existing parks as well as the development of new parks in the Greenpoint/Williamsburg communities, weaving these several green spaces into a tapestry of parks as a resource for the people of New York City.

OSA Presents, Inc. was formed in April, 2009 by certain members of the board of directors of OSA. As a not-for-profit entity, OSA Presents, Inc. was formed primarily to organize, produce and plan events to raise money for the acquisition, maintenance and improvement of open space lands as they currently exist or become available in the Greenpoint/Williamsburg community in order to expand and enhance the parkland and public space.

Both organizations have common management. OSA and OSA Presents, Inc. are both exempt from Federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. Neither organization has been designated as a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying combined financial statements have been prepared using the accrual basis of accounting, which is the process of recording revenue and expenses when earned or incurred rather than received or paid.

b. Basis of Presentation

The Organization reports information regarding their financial position and activity according to the following classes of net assets:

- *Unrestricted* – represent those resources for which there are no restrictions by the donor as to their use.
- *Temporarily restricted* - represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor. When the restrictions have been met in the same year of donation, the assets are recorded as unrestricted. See Note 4.
- *Permanently restricted* – relates to contributions of cash and other assets whereby the assets must remain intact due to restrictions placed by the donor. There was no permanently restricted activity or net assets at December 31, 2015 and December 31, 2014.

c. Contributions

Contributions are recorded upon the earlier of the receipt of cash or at the time a pledge is considered unconditional. Contributions received with specific donor restrictions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. All other contributions are recorded as unrestricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. However, when a restriction is met in the period the contribution is received, it is recorded as unrestricted.

d. Cash and Cash Equivalents

For the purposes of financial reporting, any financial instrument with a maturity of three months or less is considered cash and cash equivalent. Included in cash equivalents is cash held in banks and money market funds.

e. Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentration of credit risk, consist of cash and money market accounts, which have been placed with financial institutions that management deems to be creditworthy. From time to time, the Organization's balances were in excess of insurance levels. However, the Organization has not experienced any losses due to bank failure.

f. Contributions Receivable

Contributions receivable are recognized at net realizable value, if expected to be received in less than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All pledges receivable at year-end are due within one year.

The Organization assesses whether there are any doubtful accounts based on its historical loss experience and considering the age of the receivables. No allowance for doubtful accounts is deemed necessary as of December 31, 2015 and December 31, 2014. Uncollectable pledges will be expensed when all reasonable collection efforts have been exhausted.

g. Fixed Assets

Property and equipment that exceed predetermined thresholds and have a useful life greater than one year are capitalized at cost or at their fair value at the date of donation. Fixed assets are depreciated using the straight-line method over the estimated useful life of the asset, which is typically three years.

h. Donated Services

The Organization recognizes contributions of services that create or enhance non-financial assets or require specialized skills, are provided by those who possess such skills, and would have been paid, if not contributed. The Organization did not receive donated services during 2015 or 2014.

A substantial amount of management, administrative and fundraising duties are performed voluntarily by the board of directors. Those services have not been recorded because they did not meet the criteria outlined above.

- i. Management Estimates
The preparation of combined financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.
- j. Expense Allocation
The costs of providing various programs and other activities have been summarized on a functional basis in the combined financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.
- k. Comparative Financial Information
The combined 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 Organization's combined financial statements for the year ended December 31, 2014, from which the summarized information was derived.
- l. Accounting for Uncertainty of Income Taxes
The Organization does not believe its combined financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2012 and later are subject to examination by applicable taxing authorities.
- m. Subsequent Events
Management has evaluated for potential recognition and disclosure events subsequent to the date of the combined statement of financial position through October 10, 2016, the date the combined financial statements were available to be issued. No events have occurred subsequent to the statement of combined financial position date, through our evaluation date, that would require adjustment to or disclosure in the combined financial statements.

Note 3 - Fixed Assets

Fixed assets consist of:

	<u>2015</u>	<u>2014</u>
Computer equipment	\$7,234	\$7,234
Park furniture	24,889	24,889
Park maintenance equipment	2,306	2,306
Improvements	<u>1,298</u>	<u>1,298</u>
	35,727	35,727
Less: accumulated depreciation	<u>(30,619)</u>	<u>(20,399)</u>
Total fixed assets	<u>\$5,108</u>	<u>\$15,328</u>

Note 4 - Temporarily Restricted Net Assets

The following schedule summarizes the activity of temporarily restricted net assets:

2015				
	Balance <u>1/1/15</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/15</u>
Program restricted:				
India Street Park	\$3,057	\$0	\$0	\$3,057
Allocoo	36,150	0	0	36,150
McCarren Tennis	12,384	3,455	(346)	15,493
Track Group	5,999	0	(5,999)	0
Newtown Creek (Gardner)	31,367	5,000	(23,528)	12,839
McCarren Park Pool	4,434	0	0	4,434
Friends of Newtown Creek	2,300	0	(563)	1,737
McGolrich Park	788	0	(788)	0
BTL	431	0	0	431
Levin Grants	0	8,493	(7,623)	870
Total	<u>\$96,910</u>	<u>\$16,948</u>	<u>(\$38,847)</u>	<u>\$75,011</u>

2014				
	Balance <u>1/1/14</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/14</u>
Program restricted:				
India Street Park	\$3,057	\$0	\$0	\$3,057
Allocoo	60,000	0	(23,850)	36,150
McCarren Tennis	9,754	2,922	(292)	12,384
Track Group	5,999	0	0	5,999
Newtown Creek (Gardner)	48,591	5,952	(23,176)	31,367
Brooklyn Boat Club	12,933	0	(12,933)	0
McCarren Park Pool	4,434	0	0	4,434
Friends of Newtown Creek	2,300	0	0	2,300
McGolrich Park	461	1,000	(673)	788
BTL	431	0	0	431
Bushwick Inlet Park	24	0	(24)	0
Total	<u>\$147,984</u>	<u>\$9,874</u>	<u>(\$60,948)</u>	<u>\$96,910</u>

Note 5 - License Agreement

In May 2008, the Organization and the New York City Department of Parks & Recreation (“Parks”) entered into a license agreement whereby the Organization promotes and assists in the restoration, preservation, maintenance, programming, operations and improvement of properties under the jurisdiction of Parks or otherwise maintained by Parks in the Brooklyn Community Board 1 area of Greenpoint/Williamsburg. This area was recently rezoned by the New York City Council with a Waterfront Access Plan that envisions the creation of approximately 28 acres of new parks and a two-mile waterfront esplanade, as may be updated and amended from time to time. The license agreement was extended from its initial expiration date of May 2013 and now expires in May 2018.

Note 6 - Commitment and Contingencies

In the normal course of business, the Organization may be involved in proceedings, lawsuits and other claims. These matters are subject to many uncertainties, and outcomes are not predictable with a high degree of assurance. Consequently, the ultimate aggregate amount of monetary liability or financial impact with respect to these matters as of December 31, 2015 cannot be ascertained. Management believes that the final outcome of any such matters will not have a material impact on the combined financial statements of the Organization.

Note 7 - Special Events

The following is the breakdown of the special fundraising events:

	<u>2015</u>	<u>2014</u>
Gross revenue	\$194,975	\$193,357
Less: expenses where donor receives direct benefit	<u>(23,921)</u>	<u>(30,800)</u>
	171,054	162,557
Less: other event expenses	<u>(11,429)</u>	<u>(18,658)</u>
Total	<u>\$159,625</u>	<u>\$143,899</u>