

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

Combined Reviewed Financial Statements

December 31, 2016

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of Open Space Alliance for North Brooklyn, Inc. and Affiliate (the "Organization"), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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 States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



March 26, 2018

**OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
 COMBINED STATEMENT OF FINANCIAL POSITION
 AS OF DECEMBER 31, 2016**

Assets

Cash and cash equivalents	\$191,843
Contributions receivable	66,950
Fixed assets, net (Note 3)	<u>0</u>
Total assets	<u><u>\$258,793</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	<u>14,688</u>
Total liabilities	<u><u>14,688</u></u>
Net assets:	
Unrestricted	194,319
Temporarily restricted (Note 4)	<u>49,786</u>
Total net assets	<u><u>244,105</u></u>
Total liabilities and net assets	<u><u>\$258,793</u></u>

See accompanying notes and independent accountant's review report.

**OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue:			
Contributions	\$110,627	\$3,201	\$113,828
Government grants	23,978		23,978
Special events (net of direct benefit to donors)	236,017		236,017
Program fees	28,113		28,113
Admissions, concessions and other revenue	5,241		5,241
Interest income	61		61
Total revenue	<u>404,037</u>	<u>3,201</u>	<u>407,238</u>
Net assets released from restrictions:			
Satisfaction of program and time restrictions	<u>28,426</u>	<u>(28,426)</u>	<u>0</u>
Total public support and revenue	<u>432,463</u>	<u>(25,225)</u>	<u>407,238</u>
Expenses:			
Program services	<u>230,890</u>		<u>230,890</u>
Supporting services:			
Management and general	95,919		95,919
Fundraising	<u>22,312</u>		<u>22,312</u>
Total supporting services	<u>118,231</u>	<u>0</u>	<u>118,231</u>
Total expenses	<u>349,121</u>	<u>0</u>	<u>349,121</u>
Change in net assets	83,342	(25,225)	58,117
Net assets - beginning of year	<u>110,977</u>	<u>75,011</u>	<u>185,988</u>
Net assets - end of year	<u><u>\$194,319</u></u>	<u><u>\$49,786</u></u>	<u><u>\$244,105</u></u>

See accompanying notes and independent accountant's review report.

**OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Program Services	Supporting Services		Total Supporting Services	Total Expenses
		Management and General	Fundraising		
Salaries	\$124,141	\$19,702	\$12,014	\$31,716	\$155,857
Payroll taxes and employee benefits	17,206	5,589	5,281	10,870	28,076
Professional fees		35,070		35,070	35,070
Production equipment				0	0
Event expenses	51,639			0	51,639
Park improvements	23,444			0	23,444
Office expense		6,063	1,852	7,915	7,915
Advertising and promotion	3,952		3,165	3,165	7,117
Insurance		24,515		24,515	24,515
Bad debt				0	0
Travel	5,400			0	5,400
Miscellaneous		4,980		4,980	4,980
Depreciation	5,108			0	5,108
Total expenses	\$230,890	\$95,919	\$22,312	\$118,231	\$349,121

See accompanying notes and independent accountant's review report.

**OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
 COMBINED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2016**

Cash flows from operating activities:	
Change in net assets	\$58,117
Adjustments to reconcile change in net assets to net cash provided used for operating activities:	
Depreciation	5,108
Change in assets and liabilities:	
Contributions receivable	(58,409)
Ice rink admission receivable	0
Accounts payable and accrued expenses	<u>(17,302)</u>
Total adjustments	<u>(70,603)</u>
Net cash provided used for operating activities/ decrease in cash and cash equivalents	(12,486)
Cash and cash equivalents - beginning of year	<u>204,329</u>
Cash and cash equivalents - end of year	<u><u>\$191,843</u></u>
Supplemental disclosure of cash flow information:	
Total interest and income taxes paid	<u><u>\$0</u></u>

See accompanying notes and independent accountant's review report.

OPEN SPACE ALLIANCE FOR NORTH BROOKLYN, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016.

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, 2016. 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 2016.

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. 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.

l. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the combined statement of financial position through March 26, 2018, 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:

Computer equipment	\$7,234
Park furniture	24,889
Park maintenance equipment	2,306
Improvements	<u>1,298</u>
	35,727
Less: accumulated depreciation	<u>(35,727)</u>
Total fixed assets	<u>\$0</u>

Note 4 - Temporarily Restricted Net Assets

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

	Balance 1/1/16	Contributions	Released from Restrictions	Balance 12/31/16
Program restricted:				
India Street Park	\$3,057	\$0	\$0	\$3,057
Allocoo	36,150	0	(16,915)	19,235
McCarren Tennis	15,493	3,201	(1,869)	16,825
Newtown Creek (Gardner)	12,839	0	(9,642)	3,197
McCarren Park Pool	4,434	0	0	4,434
Friends of Newtown Creek	1,737	0	0	1,737
BTL	431	0	0	431
Levin Grants	870	0	0	870
Total	<u>\$75,011</u>	<u>\$3,201</u>	<u>(\$28,426)</u>	<u>\$49,786</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, 2016 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:

Gross revenue	\$267,154
Less: expenses where donor receives direct benefit	<u>(31,137)</u>
	236,017
Less: other event expenses	<u>(15,770)</u>
Total	<u>\$220,247</u>