

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2014**

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2014**

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**C O N T E N T S**

	<b>P a g e</b>
Independent Auditors' Report	1 - 2
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4 - 5
Consolidated Statements of Functional Expenses	6 - 7
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9 - 18

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
**Four Freedoms Park Conservancy, Inc.  
and Subsidiary**

We have audited the accompanying consolidated financial statements of Four Freedoms Park Conservancy, Inc. and Subsidiary (the "Organization"), which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated 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 Organization's preparation and fair presentation of consolidated 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 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 auditors' 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 auditors consider internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 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 financial position of Four Freedoms Park Conservancy, Inc. and Subsidiary as of December 31, 2014 and 2013, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Perelson Weiner LLP*

**October 28, 2015**

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2014	2013
<b>ASSETS</b>		
Cash	\$ 2,081,330	\$ 2,148,418
Government grants receivable	543,520	2,350,000
Cash held in escrow for construction	139,016	139,005
Pledges and grants receivable, net	160,000	92,500
Inventory	94,982	92,596
Prepaid expenses and other assets	151,279	94,610
Fixed assets, at cost, less accumulated depreciation and amortization	596,642	178,896
Total assets	\$ 3,766,769	\$ 5,096,025
<b>LIABILITIES AND NET ASSETS</b>		
Accounts and accrued expenses payable	\$ 181,982	\$ 350,803
Deferred rent	64,662	
Total liabilities	246,644	350,803
Net assets		
Unrestricted	2,380,206	3,687,102
Temporarily restricted	1,139,919	1,058,120
Total net assets	3,520,125	4,745,222
	\$ 3,766,769	\$ 5,096,025

See notes to consolidated financial statements.

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Contributions and grants	\$ 623,596		\$ 623,596
New York City grants - retainage		\$ 426,020	426,020
NYS Parks grants - park operations	450,000		450,000
Membership	123,875		123,875
Fundraising event	274,582		274,582
Interest income	10		10
Other income	83,930		83,930
Fulfillment of restrictions	<u>344,221</u>	<u>(344,221)</u>	
Total revenue	<u>1,900,214</u>	<u>81,799</u>	<u>1,982,013</u>
Expenses			
Program services	786,511		786,511
Park operations	1,571,447		1,571,447
Management and general	426,778		426,778
Fundraising	<u>422,374</u>		<u>422,374</u>
Total expenses	<u>3,207,110</u>		<u>3,207,110</u>
(Decrease) increase in net assets	(1,306,896)	81,799	(1,225,097)
Net assets			
January 1, 2014	<u>3,687,102</u>	<u>1,058,120</u>	<u>4,745,222</u>
December 31, 2014	<u>\$ 2,380,206</u>	<u>\$ 1,139,919</u>	<u>\$ 3,520,125</u>

See notes to consolidated financial statements.

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Unrestricted	Temporarily Restricted	Total
Revenue			
Contributions and grants	\$ 302,489	\$ 79,987	\$ 382,476
Government grants - construction reimbursement	2,550,000		2,550,000
NYS Parks grants - park operations	729,000		729,000
Membership	114,148		114,148
Fundraising event	193,729		193,729
Interest income	283		283
Other income	63,280		63,280
Fulfillment of restrictions	1,924,699	(1,924,699)	
Total revenue	5,877,628	(1,844,712)	4,032,916
Expenses			
Program services	2,121,967		2,121,967
Park operations	996,949		996,949
Management and general	150,245		150,245
Fundraising	421,848		421,848
Total expenses	3,691,009		3,691,009
Increase (decrease) in net assets	2,186,619	(1,844,712)	341,907
Net assets			
January 1, 2013	1,500,483	2,902,832	4,403,315
December 31, 2013	\$ 3,687,102	\$ 1,058,120	\$ 4,745,222

**See notes to consolidated financial statements.**

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services	Park Operations and Maintenance	Management and General	Fundraising	Total Expenses
Construction costs (net of prior year write-offs of \$125,861)	\$ 128,302				\$ 128,302
Fdr4freedoms digital resource	112,755				112,755
Barge dock	2,890				2,890
Education programs	7,416				7,416
Fundraising event				\$ 105,927	105,927
Visitor services	36,925				36,925
Salaries, payroll taxes and benefits	334,355	\$ 850,144	\$ 154,049	147,887	1,486,435
Professional fees	21,322	71,075	167,874	21,322	281,593
Security and surveillance		191,595			191,595
Repairs and maintenance		255,974			255,974
Uniforms		11,533			11,533
Promotion	30,359	30,359		59,145	119,863
Strategic internet communications	7,606			16,797	24,403
Travel and entertainment	3,303	2,202	3,303	2,202	11,010
Occupancy and utilities	56,959	61,919	56,959	37,973	213,810
Insurance	8,689	5,793	8,688	5,793	28,963
Office expenses	23,211	46,605	23,486	17,048	110,350
Depreciation and amortization	12,419	44,248	12,419	8,280	77,366
	<u>\$ 786,511</u>	<u>\$ 1,571,447</u>	<u>\$ 426,778</u>	<u>\$ 422,374</u>	<u>\$ 3,207,110</u>

See notes to consolidated financial statements.



**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Services	Park Operations and Maintenance	Management and General	Fundraising	Total Expenses
Construction costs	\$ 1,037,730				\$ 1,037,730
Fdr4freedoms digital resource	190,550				190,550
Renwick Ruin feasibility study	1,480				1,480
Barge dock	34,656				34,656
Fundraising event				\$ 96,202	96,202
Visitor services	55,219			3,157	58,376
Salaries, payroll taxes and benefits	393,390	\$ 601,267	\$ 81,981	81,876	1,158,514
Professional fees	169,116	608	36,510	73,020	279,254
Security and surveillance		212,095			212,095
Repairs and maintenance		77,792			77,792
Uniforms		15,987			15,987
Personnel development		4,525			4,525
Promotion	32,185		5,364	101,316	138,865
Strategic internet communications	132,369			56,729	189,098
Travel and entertainment	12,476	2,272	979	2,139	17,866
Occupancy and utilities	35,979	22,531	11,993		70,503
Insurance		13,775	2,977		16,752
Office expenses	25,864	30,276	9,339	7,409	72,888
Depreciation	953	15,821	1,102		17,876
	<u>\$ 2,121,967</u>	<u>\$ 996,949</u>	<u>\$ 150,245</u>	<u>\$ 421,848</u>	<u>\$ 3,691,009</u>

**See notes to consolidated financial statements.**

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31	
	2014	2013
Cash flows from operating activities		
Cash received from contributions and grants	\$ 954,553	\$ 904,853
Cash received from government grants	2,232,500	3,421,609
Cash received from NYS Parks	450,000	729,000
Cash transferred from cash held in escrow	(11)	322,435
Cash paid for construction	(64,568)	(3,080,123)
Cash paid for fdr4freedoms digital resource	(112,755)	(187,424)
Cash paid for Renwick Ruin feasibility study		(522)
Cash paid to employees and vendors	(3,115,635)	(3,180,173)
Other income received	83,930	63,280
Interest received	10	283
Net cash provided by (used in) operating activities	<u>428,024</u>	<u>(1,006,782)</u>
Cash flows from investing activities		
Acquisition of property and equipment	<u>(495,112)</u>	<u>(113,164)</u>
Net cash used in investing activities	<u>(495,112)</u>	<u>(113,164)</u>
Net decrease in cash and cash equivalents	<u>(67,088)</u>	<u>(1,119,946)</u>
Cash and cash equivalents, beginning of year	<u>2,148,418</u>	<u>3,268,364</u>
Cash and cash equivalents, end of year	<u>\$ 2,081,330</u>	<u>\$ 2,148,418</u>
<b>RECONCILIATION OF (DECREASE) INCREASE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
(Decrease) increase in net assets	<u>\$ (1,225,097)</u>	<u>\$ 341,907</u>
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	77,366	17,876
Decrease (increase) in assets		
Government grants receivable	1,806,480	871,609
Cash held in escrow for construction	(11)	322,435
Pledges and grants receivable, net	(67,500)	214,500
Inventory	(2,386)	(92,596)
Prepaid expenses and other assets	(56,669)	(28,110)
(Decrease) increase in liabilities		
Accounts payable and accrued expenses	(168,821)	(1,915,303)
Deferred rent	64,662	
Retainage payable		(739,100)
Total adjustments	<u>1,653,121</u>	<u>(1,348,689)</u>
Net cash provided by (used in) operating activities	<u>\$ 428,024</u>	<u>\$ (1,006,782)</u>

**See notes to consolidated financial statements.**

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**Note 1 - Organization**

Four Freedoms Park Conservancy, Inc. (the "Conservancy") and Franklin D. Roosevelt Four Freedoms Park, LLC (the "Subsidiary"; collectively the "Organization") were formed in the State of New York and are headquartered in New York City. The Conservancy is the sole member of the Subsidiary.

The Franklin D. Roosevelt Four Freedoms Park, LLC was formed September 30, 2008 as a New York single member limited liability company by the Franklin and Eleanor Roosevelt Institute (the "Institute"), for the purpose of building the first memorial to President Roosevelt in his home state. Governor Nelson Rockefeller and Mayor John Lindsay renamed Welfare Island for President Roosevelt in 1973 and dedicated four acres at the southern end of the island for a park in his memory. Louis I. Kahn was commissioned to design the memorial, named Franklin D. Roosevelt Four Freedoms Park (the "Park"). Construction was a public private partnership between New York City, New York State, and the private sector. Construction began March 29, 2010 on Roosevelt Island, in the East River across from the United Nations, and was completed in September 2012.

The budget for construction of the Park, development of fdr4freedoms digital resource, operating expenses for the Subsidiary and the Conservancy, through completion was \$53 million. Public funding accounted for \$21 million. The private sector accounted for \$32 million, or 60% of total cost.

The Conservancy is a not-for-profit entity incorporated in New York State on June 30, 2011. In October 2011, the Institute assigned all rights, title, and interest in the sole membership in the Subsidiary to the Conservancy.

Four Freedoms Park was officially declared a New York State Park by Governor Andrew Cuomo at its dedication ceremony on October 17, 2012. The mission of the Conservancy is to operate, maintain, program, and fund the Park under a Cooperative Agreement with the New York State Office of Parks, Recreation, and Historic Preservation, executed in March 2013. In addition, the Conservancy has created and is maintaining the fdr4freedoms digital resource, an online educational initiative using narrative, historical video, photos, and documents to make the history of the Roosevelt era accessible to Park visitors and to people everywhere in the world. An extensive schedule of onsite public programs, tours, and educational partnerships with New York City schools were offered throughout the year.

Opened to the public October 24, 2012, and well received by public and press, Four Freedoms Park welcomed 317,494 visitors through 2014.

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**Note 2 - Summary of Significant Accounting Policies**

**a) Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Conservancy and the Subsidiary. All material balances and transactions between the entities have been eliminated in consolidation.

**b) Tax Status**

The Conservancy is qualified as a tax-exempt organization as defined under the provisions of Sections 501(c)(3) and 509(a) of the Internal Revenue Code of 1986.

The Subsidiary is a single member limited liability company and, accordingly, is treated as a disregarded entity for income tax purposes.

**c) Basis of Accounting**

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**d) Use of Estimates**

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**e) Net Assets**

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**f) Construction and Development Costs**

Roosevelt Island is owned by the City of New York and leased to New York State through 2068. At the end of the lease, the Island, including the Park, will revert to New York City. Accordingly, all costs incurred in connection with the construction and development of the Park were expensed as incurred.

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**g) Fdr4freedoms Digital Resource Costs**

Costs incurred in connection with production, development, and use of the digital resource, including but not limited to creating, designing, editing, title clearing, digitizing, maintaining, hosting, marketing, and teaching about the fdr4freedoms digital resource are expensed as incurred as the digital resource is available publicly to internet users, and Management has determined that no direct economic benefit is expected to be derived in the future for the costs to be recognized over a definitive period.

**h) Cash**

The cash balance is maintained at one financial institution. At times, cash may exceed the federal insured limits. The credit risk is mitigated by maintaining cash with a high quality institution.

**i) Cash Held in Escrow for Construction**

Disbursement of construction payments and receipt of requisition funds from New York State and New York City were transacted in escrow bank accounts set up for each construction phase pursuant to certain Escrow Agreements amongst Roosevelt Island Operating Corporation ("RIO"), a public benefit corporation of the State of New York, and the Subsidiary. Upon the satisfaction of specified conditions, the escrow were released from restriction.

**j) Pledges and Grants Receivable**

Pledges and grants receivable are recorded at the estimated realizable value if expected to be collected within one year and at the present value of estimated future cash flows if expected to be collected in more than one year. The Organization provides an allowance for doubtful receivables using the reserve method.

**k) Inventories**

Inventories consist of materials held for sale by the Conservancy and are stated at the lower of cost (first-in, first-out method) or market.

**l) Fixed Assets**

Fixed assets are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful life of three to five years. Leasehold improvements are amortized over the respective lease terms. Major improvements and replacements of property are capitalized. Maintenance, repairs and minor improvements and replacements are expensed as incurred.

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**m) Deferred Rent**

Deferred rent represents the cumulative excess of rent expense recognized on the straight-line basis over payments made (Note 7).

**n) Retainage Payable**

Certain percentages of amounts due under construction contracts are recorded as retainage payable when they become billable under the contracts.

Upon completion of projects under contract, retainage is released and paid to the contractor. As of December 31, 2013, all retainage has been released.

**o) Fair Value**

The estimated fair value of the Organization's assets and liabilities approximate their carrying values.

**p) Contributions and Revenue Recognition**

Contributions received, including unconditional pledges, are recognized as support in the period received at their fair values. Contributions are recorded as temporarily restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated 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.

Accordingly, pledges and grants receivable are not recorded until collectability is assured.

Admission to the Park is free to all visitors.

**q) Government Grants**

Federal, New York State and New York City governmental departments and agencies, ("NYS" and "NYC" referred herein Note 2(q) and Note 2(r) below) awarded the Organization grants of approximately \$21,000,000 in support of the development and construction of the Park. These grants are awarded based on allowable expenses paid.

The funds that NYS, NYC and the Federal Government have committed to the Park are available on a reimbursement basis for certain construction costs after the costs have been incurred. All requisitions for reimbursement must be approved by the representatives of their respective departments and agencies before the Park receives the funds.

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**Note 2 - Summary of Significant Accounting Policies (Continued)**

**q) Government Grants (Continued)**

The Organization recognizes revenue in connection with these grants as expenditures are made. Through 2013, the Organization incurred expenses of approximately \$2,350,000 which were reimbursable by NYC governmental departments and agencies, and included as government grants receivable as of December 31, 2013. During 2014, approximately \$2,233,000 have been collected.

From inception through December 31, 2014, the Organization incurred expenses of approximately \$21,190,000 which were reimbursable by government departments and agencies, of which approximately \$19,420,000 have been collected.

**r) New York City Grants - Retainage**

In accordance with the respective grant agreements, reimbursements from NYC grants (Note 2(q)) are subject to 5% retainage, of which 80% is to be released upon NYC sign-off of substantial completion of the NYC-funded projects, and the remaining 20% is to be released upon final NYC sign-off pursuant to the respective grant agreements. As of December 31, 2014, the government-funded projects have been substantially completed; therefore, \$426,020, or 80% of retainage held on government grants awarded from inception through December 31, 2014, was recognized in the consolidated statement of activities during 2014 and was included as government grants receivable as of December 31, 2014.

**s) New York State Parks Grants**

Effective March 2013, the Conservancy entered into a Cooperative Agreement ("Agreement") with the Office of the State Comptroller of the State of New York acting by and through the Office of Parks, Recreation and Historic Preservation ("State Parks"). Pursuant to the Agreement, State Parks grants an exclusive license to the Conservancy to maintain and operate the land and improvements which comprise the Park, and will pay the Conservancy an annual state subsidy for the sole purpose of subsidizing basic park operations as defined in the Agreement. The state subsidy for the period commencing October 24, 2012 through March 31, 2013 was \$179,000. The state subsidy for fiscal year ending March 31, 2014, and in any future fiscal year, will not exceed \$350,000. The Conservancy received its first \$179,000 from State Parks for fiscal year 2012 in September 2013, and \$350,000 for fiscal years 2014 and 2013 in July 2014 and September 2013, respectively.



**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**s) New York State Parks Grants (Continued)**

In furtherance of the Agreement, under the direction of State Parks, the Conservancy is entitled to annual payments from a \$2,000,000 investment account funded by the Alphawood Foundation (the "Fund") maintained in the Natural Heritage Trust ("NHT"), a public benefit corporation qualified as a 501(c)(3) of the Internal Revenue Code, pursuant to a Gift Agreement dated May 19, 2010 between the Fund and NHT. Payments to the Conservancy are anticipated to be 5% of the Fund's principal value, up to a maximum of \$100,000 in any fiscal year. The Conservancy received its first \$100,000 from NHT for fiscal year 2012 in June 2013, and \$100,000 for fiscal years 2014 and 2013 in August 2014 and September 2013, respectively.

The Agreement may only be terminated under specific conditions outlined in the Agreement.

**t) Membership**

Membership dues are considered contributions to the Organization and are recognized as revenue upon receipt.

**u) Contributed Services**

Members of the Board of Directors serve without compensation. In addition, the President/CEO of the Conservancy serves full-time without compensation. Since the services do not meet the criteria for recognition, the value of contributed time has not been reflected in the accompanying consolidated financial statements.

**v) Functional Allocation of Expenses**

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statement of activities. Expenses have been charged to program and supporting services either directly, when identifiable, or indirectly based on management's estimation of the services benefited.

**w) Advertising**

Advertising and promotional costs, approximating \$61,000 (2014) and \$54,000 (2013), are charged to expenses in the consolidated statements of activities in the period the advertising first appears or occurs.



**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

---

**Note 2 - Summary of Significant Accounting Policies (Continued)**

**x) Accounting for Uncertainty in Income Taxes**

The Organization recognizes the effect from an uncertain tax position only if it is more likely than not that the tax position will not be sustained based on the technical merits of the position upon examination by the taxing authorities. Management has determined that the Conservancy had no uncertain tax positions that would require financial statement recognition or disclosure as of December 31, 2014 and 2013. No income tax associated interest or penalties were incurred in 2014 and 2013.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the period from May 13, 2011 (inception) through December 31, 2011 and for the years ended December 31, 2013 and 2012 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. There are currently no audits for any tax periods in progress.

**y) Reclassifications**

Certain items in the 2013 consolidated financial statements have been reclassified to conform to the 2014 presentation. These reclassifications did not have any effect on 2013 financial position, net assets or cash flows.

**z) Subsequent Events Evaluation**

Management has evaluated subsequent events through October 28, 2015, the date the consolidated financial statements were available to be issued, and has determined that there are no subsequent events that require adjustment or disclosure.

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**Note 3 - Fixed Assets**

	December 31	
	2014	2013
Leased improvements - headquarters (construction in progress – 2013)	<b>\$ 411,485</b>	\$ 59,961
Furniture	33,599	18,175
Equipment	186,013	78,955
Computers	21,050	14,735
Utility automobiles	42,996	28,205
	695,143	200,031
Less: accumulated depreciation and amortization	(98,501)	(21,135)
	<b>\$ 596,642</b>	<b>\$ 178,896</b>

Depreciation and amortization expense was \$77,366 and \$17,876 for the years ended December 31, 2014 and 2013, respectively.

**Note 4 - Employee Retirement Plan**

A defined contribution retirement plan qualified under Section 403(b) of the Internal Revenue Code covering all eligible employees is maintained. Employees may make contributions to the plan through payroll deductions up to the maximum amount allowed. The plan provides for discretionary employer contributions. The Organization contributed \$13,086 (2014) and \$21,636 (2013).

**Note 5 - Credit Risk Concentration**

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash and receivables. At times, cash balances held at financial institutions were in excess of government insured limits. Management mitigates the risk by maintaining funds at high quality financial institutions.

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**Note 6 - Temporarily Restricted Net Assets**

Temporarily restricted net assets, by donor stipulation, are to be used for the following purposes:

	December 31	
	2014	2013
Fdr4freedoms Digital Resource and education programs	<b>\$ 601,294</b>	\$ 895,528
Renwick Ruin feasibility study	<b>112,605</b>	112,605
West Gatehouse and Keep		49,987
NYC grants – retainage (Note 2(r))	<b>426,020</b>	
	<b>\$ 1,139,919</b>	<b>\$ 1,058,120</b>

The restrictions on certain temporarily restricted net assets were satisfied as follows:

	Year Ended December 31	
	2014	2013
Park construction		\$ 1,732,669
Fdr4freedoms Digital Resource and education programs	<b>\$ 294,234</b>	190,550
West Gatehouse and Keep	<b>49,987</b>	
Renwick Ruin feasibility study		1,480
	<b>\$ 344,221</b>	<b>\$ 1,924,699</b>

**Note 7 - Commitments**

**a) Lease**

During January 2014, a seven year non-cancelable lease for the Organization's headquarters was entered into. The lessor provided a rental concession through June 11, 2014. Minimum rent payments, net of lessor concessions, are charged to expense on the straight-line method over the lease terms (Note 2(m)). Deferred rent has been recorded to reflect the excess of net rent expense recognized over rent payments made since inception of the lease. Rental expense for 2014 was \$164,932.

Office premises in New York City were leased pursuant to an operating lease for a one-year term through January 31, 2014. During January 2014, a lease renewal for the period February 1, 2014 through June 30, 2014 was entered into. Rental expense was \$22,300 (2014) and \$42,410 (2013).

**FOUR FREEDOMS PARK CONSERVANCY, INC.  
AND SUBSIDIARY**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

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**Note 7 - Lease Commitments (Continued)**

**a) Lease (Continued)**

The Organization has various leases covering office equipment and an office trailer at the Park that expire at various dates through May 31, 2017. Rental expense was \$6,042 (2014) and \$8,733 (2013).

Minimum annual rental payments under operating leases are as follows:

<u>Year Ending December 31,</u>	<u>Office</u>	<u>Equipment and Trailer</u>	<u>Total</u>
2015	\$ 184,622	\$ 6,042	\$ 190,664
2016	189,238	3,300	192,538
2017	193,968	1,100	195,068
2018	199,709	-	199,709
2019	204,782	-	204,782
Thereafter	<u>227,429</u>	<u>-</u>	<u>227,429</u>
Total	<u>\$ 1,199,748</u>	<u>\$ 10,442</u>	<u>\$ 1,210,190</u>

**b) Hope Memorial Pledge**

On February 6, 2011, the Subsidiary pledged up to \$100,000 to the Roosevelt Island Disabled Association, Inc. ("RIDA"), a New York 501(c)(3) corporation, for the creation, fabrication and installation of the FDR Hope Memorial, a sculpture depicting President Roosevelt's Disability.

The funds that the Subsidiary have committed to RIDA are available on a reimbursement basis after the eligible costs are incurred. All requisitions for reimbursement must be approved by the Subsidiary before payments are made to RIDA.

The Organization recognizes expenses in connection with this pledge as requisitions are approved. Through 2014, the Subsidiary approved eligible expenses of approximately \$47,000 which were reimbursed to RIDA. As of December 31, 2014, \$53,000 of the pledged funds remain unexpended by RIDA, as such, a liability has not been recorded.