NEW YORK RESTORATION PROJECT AND CONSOLIDATED ENTITIES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

AND

INDEPENDENT AUDITORS' REPORT

FRIEDMAN LLP®

ACCOUNTANTS AND ADVISORS

NEW YORK RESTORATION PROJECT AND CONSOLIDATED ENTITIES

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
New York Restoration Project

We have audited the accompanying consolidated financial statements of New York Restoration Project and Consolidated Entities, which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, 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 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 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 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 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.

(Continued)

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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 New York Restoration Project and Consolidated Entities as of September 30, 2016 and 2015, and the change 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.

Friedman LLP

January 11, 2017

NEW YORK RESTORATION PROJECT AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30, 2016	September 30, 2015
ASSETS		
Cash and cash equivalents	$ 574,863	$ 854,534
Cash and cash equivalents - restricted	20,573	101,409
Investments	6,025,618	4,426,642
Contributions receivable	5,592,410	6,451,984
Government grants receivable	374,809	238,685
Prepaid expenses	196,827	231,376
Other assets	60,615	60,615
Property and equipment, net	6,198,092	6,398,386
	$ 19,043,807	$ 18,763,631
LIABILITIES AND NET ASSETS		
Liabilities		
Line of credit	$ 230,000	$ -
Accounts payable, accrued expenses and other liabilities	521,300	525,220
Loans payable	53,341	106,646
Deferred fundraising revenue	411,636	536,391
Total liabilities	1,216,277	1,168,257
Commitments and contingencies		
Net assets		
Unrestricted		
Undesignated	5,342,639	4,896,152
Board-designated fund	1,752,500	1,337,042
Capital fund	2,149,066	-
Total unrestricted	9,244,205	6,233,194
Temporarily restricted	5,126,381	7,905,236
Permanently restricted	3,456,944	3,456,944
Total net assets	17,827,530	17,595,374
	$ 19,043,807	$ 18,763,631

See notes to consolidated financial statements.

NEW YORK RESTORATION PROJECT AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2016

		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating					
Public support and revenue					
Contributions		$ 1,819,260	$ 2,314,422	$ -	$ 4,133,682
Grant income		1,485,107	-	-	1,485,107
Special events					
Revenue from special events	$ 2,880,980				
Less - Direct costs	(925,886)				
Net revenue from special events	1,955,094	1,955,094	-	-	1,955,094
Donated goods and services		602,457	-	-	602,457
Other income		84,998	-	-	84,998
Investment return appropriated for operations		123,000	-	-	123,000
Total public support and revenue		6,069,916	2,314,422	-	8,384,338
Net assets released from restrictions		5,093,277	(5,093,277)	-	-
Total public support and revenue, and net assets released from restrictions		11,163,193	(2,778,855)	-	8,384,338
Functional expenses					
Program services		5,570,170	-	-	5,570,170
Management and general		930,955	-	-	930,955
Fundraising		1,102,343	-	-	1,102,343
Total functional expenses		7,603,468	-	-	7,603,468
Increase (decrease) in net assets from operating activities		3,559,725	(2,778,855)	-	780,870
Nonoperating					
Investment return from amounts appropriated for operations		308,591	-	-	308,591
Depreciation of long lived assets		(857,305)	-	-	(857,305)
Decrease in net assets from non-operating activities		(548,714)	-	-	(548,714)
Increase (decrease) in net assets		3,011,011	(2,778,855)	-	232,156
Net assets, beginning of year		6,233,194	7,905,236	3,456,944	17,595,374
Net assets, end of year		$ 9,244,205	$ 5,126,381	$ 3,456,944	$ 17,827,530

See notes to consolidated financial statements.

NEW YORK RESTORATION PROJECT AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2015

		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating					
Public support and revenue					
Contributions		$ 1,629,722	$ 3,328,000	$ -	$ 4,957,722
Grant income		1,245,095	-	-	1,245,095
Special events					
Revenue from special events	$ 3,253,113				
Less - Direct costs	(973,405)				
Net revenue from special events	2,279,708	2,279,708	-	-	2,279,708
Donated goods and services		436,532	-	-	436,532
Other income		46,254	-	-	46,254
Investment return appropriated for operations		122,000	-	-	122,000
Total public support and revenue		5,759,311	3,328,000	-	9,087,311
Net assets released from restrictions		2,295,934	(2,260,934)	(35,000)	-
New Leaf Restaurant and Bar operations					
Sales		630,479	-	-	630,479
Less - Cost of sales		(138,051)	-	-	(138,051)
Operating expenses		(458,908)	-	-	(458,908)
Total New Leaf Restaurant and Bar operating income		33,520	-	-	33,520
Total public support and revenue, net assets released from restrictions, and New Leaf Restaurant and Bar operating income		8,088,765	1,067,066	(35,000)	9,120,831
Functional expenses (exclusive of New Leaf Restaurant and Bar)					
Program services		5,747,910	-	-	5,747,910
Management and general		830,892	-	-	830,892
Fundraising		1,303,109	-	-	1,303,109
Total functional expenses		7,881,911	-	-	7,881,911
Increase (decrease) in net assets from operating activities		206,854	1,067,066	(35,000)	1,238,920
Nonoperating					
Gain on sale of air rights		500,000	-	-	500,000
Investment return (deficiency) from amounts appropriated for operations		(185,966)	-	-	(185,966)
Loss on sale of New Leaf Restaurant and Bar		(320,260)	-	-	(320,260)
Depreciation of long lived assets		(1,211,550)	-	-	(1,211,550)
Decrease in net assets from non-operating activities		(1,217,776)	-	-	(1,217,776)
Increase (decrease) in net assets		(1,010,922)	1,067,066	(35,000)	21,144
Net assets, beginning of year		7,244,116	6,838,170	3,491,944	17,574,230
Net assets, end of year		$ 6,233,194	$ 7,905,236	$ 3,456,944	$ 17,595,374

See notes to consolidated financial statements.

NEW YORK RESTORATION PROJECT AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2016

	Program Services					Supporting Services		
	Gardens	Parks	Trees	Other	Total Program Services	Management and General	Fundraising	Total Expenses
Payroll and benefits	$ 1,625,938	$ 1,166,591	$ 378,436	$ 75,136	$ 3,246,101	$ 286,702	$ 617,744	$ 4,150,547
Professional fees	147,838	361,952	370,977	56,514	937,281	95,063	180,818	1,213,162
Program materials and supplies	243,300	84,605	258,214	60,424	646,543	20,813	9,799	677,155
Occupancy	53,754	66,580	47,247	-	167,581	85,774	26,457	279,812
Office expense	112,357	271,780	177,371	11,156	572,664	434,727	267,525	1,274,916
Interest expense	-	-	-	-	-	7,876	-	7,876
	$ 2,183,187	$ 1,951,508	$ 1,232,245	$ 203,230	$ 5,570,170	$ 930,955	$ 1,102,343	$ 7,603,468

See notes to consolidated financial statements.

NEW YORK RESTORATION PROJECT AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2015

	Program Services					Supporting Services		
	Gardens	Parks	Trees	Other	Total Program Services	Management and General	Fundraising	Total Expenses
Payroll and benefits	$ 1,419,551	$ 880,782	$ 654,872	$ 254,969	$ 3,210,174	$ 443,028	$ 722,521	$ 4,375,723
Professional fees	246,203	78,245	435,809	193,604	953,861	81,758	211,807	1,247,426
Program materials and supplies	278,982	195,635	328,118	45,041	847,776	43,519	19,737	911,032
Occupancy	49,400	51,954	31,194	16,749	149,297	41,245	31,703	222,245
Office expense	123,796	242,530	128,490	90,942	585,758	214,531	317,341	1,117,630
Interest expense	-	1,044	-	-	1,044	6,811	-	7,855
	$ 2,117,932	$ 1,450,190	$ 1,578,483	$ 601,305	$ 5,747,910	$ 830,892	$ 1,303,109	$ 7,881,911

See notes to consolidated financial statements.

NEW YORK RESTORATION PROJECT AND CONSOLIDATED ENTITIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended September 30, 2016	2015
Cash flows from operating activities		
Increase in net assets	$ 232,156	$ 21,144
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization (inclusive of New Leaf)	857,304	1,186,158
Donated marketable securities	(1,359,060)	(251,804)
Unrealized and realized (gain) loss on marketable securities	(297,766)	166,575
Loss on disposal of property and equipment	-	420,651
Changes in assets and liabilities		
Contributions receivable	859,574	(410,884)
Government grants receivable	(136,124)	(6,499)
Prepaid expenses	34,549	31,873
Other assets	-	58,749
Accounts payable, accrued expenses and other liabilities	(3,920)	(485,482)
Deferred fundraising revenue	(124,755)	(228,194)
Net cash provided by operating activities	61,958	502,287
Cash flows from investing activities		
Purchases of marketable securities	(4,143,012)	(3,638,603)
Proceeds from sale/maturity of marketable securities	4,200,862	2,514,489
Acquisition of property and equipment	(657,010)	(336,418)
Decrease in cash and cash equivalents - restricted	80,836	168,912
Net cash used in investing activities	(518,324)	(1,291,620)
Cash flows from financing activities		
Borrowing (repayments) under loans payable, net	(53,305)	19,045
Borrowings under line of credit, net	230,000	-
Net cash provided by financing activities	176,695	19,045
Net decrease in cash and cash equivalents	(279,671)	(770,288)
Cash and cash equivalents, beginning of year	854,534	1,624,822
Cash and cash equivalents, end of year	$ 574,863	$ 854,534
Supplemental cash flow disclosures		
Interest paid	$ 7,876	$ 7,855
Income taxes paid	-	6,922

See notes to consolidated financial statements.

1 - ORGANIZATION AND NATURE OF OPERATIONS

New York Restoration Project ("NYRP"), formed in 1995, is a nonprofit organization operating under the laws of the State of New York. Its mission is to restore, develop and revitalize underserved parks, community gardens and open space in all five boroughs of the City of New York. NYRP invests in the communities it serves by providing ongoing maintenance, grounds keeping, and horticultural services, as well as educational and public programming. NYRP is qualified as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is exempt from state and local taxes under comparable laws.

New York Garden Trust (the "Trust"), formed in 1999 under the laws of the State of New York, is qualified as a tax-exempt organization under Section 501(c)(2) of the IRC. The Trust, which is controlled by NYRP, was organized exclusively to hold title to community garden sites acquired from the City of New York.

The New York Restoration Enterprise, Inc. ("Enterprise"), a wholly owned subsidiary of NYRP, was incorporated in the State of Delaware in October 2000 as a commercial entity. Enterprise was created for the purpose of operating and managing the restaurant facilities located in Fort Tryon Park (the "New Leaf Restaurant and Bar") under the license agreement discussed in Note 13. Enterprise is the sole member of Divine Greening LLC, Divine Consulting LLC and Divine Strategies LLC. These entities were formed in May 2009, are currently inactive, and are expected to provide landscaping, consulting and merchandising services in the future. In fiscal 2015, Enterprise sold all of its rights and interest as licensee (with the New York City Department of Parks and Recreation) to operate New Leaf Restaurant and Bar.

The Peter Jay Sharp Boathouse, Inc. (the "Boathouse"), formed in 2002 under the laws of the State of New York, is a qualified, tax-exempt organization under Section 501(c)(2) of the IRC. The Boathouse, which is controlled by NYRP, was organized exclusively to hold title to the boathouse located in Swindler Cove along the Harlem River. In fiscal 2016, the Boathouse was decommissioned upon termination of the management agreement with its tenant.

NYRP, the Trust, Enterprise, and the Boathouse are collectively referred to as the "Organization."

The Organization's major programs include the cleanup, restoration and management of numerous parks and community gardens located throughout the boroughs of the City of New York, various environmental education programs for low-income communities, and working in cooperation with the City of New York Department of Parks and Recreation (the "Parks Department") to plant one million trees across the five boroughs of New York City, focusing mainly on neighborhoods with high asthma rates, over a ten-year period. In addition to these environmental and educational activities, the Organization also owns a boathouse that can be used to provide a boat storage and launch facility on the Harlem River for adult and youth rowing programs sponsored and operated by Row New York, Inc. The Boathouse was decommissioned in fiscal year 2016.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying consolidated financial statements have been prepared using the accrual basis of accounting, which conforms to accounting principles generally accepted in the United States of America ("GAAP") as applicable to not-for-profit organizations. They include the accounts of NYRP, the Trust, Enterprise, and the Boathouse. In fiscal 2016, Enterprise and the Boathouse had no activity. All significant intercompany accounts and transactions have been eliminated in consolidation.

Net Assets
The net assets of NYRP and changes therein are classified and reported as follows:

Unrestricted
Unrestricted net assets represent those resources that are not subject to donor restrictions. The board-designated fund represents amounts designated for future projects and maintenance of gardens. The capital fund represents amounts contributed for the construction of gardens whereby management of the Organization has ultimate discretion and authority as to the designation and best utilization of such funds toward completion of these projects.

Temporarily restricted
Net assets subject to donor-imposed stipulations, that may or will be met, either by action of the Organization and/or the passage of time. 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.

Permanently restricted
Permanently restricted net assets represent those resources subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of the assets permit the Organization to use all or part of the return earned on related investments, for general or specific purposes.

Use of Estimates
Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Activities
Operating activities include the ongoing major activities by which the Organization fulfills its programmatic services, include operating and maintaining gardens, parks and other greening activities and community engagement, fund-raising activities and other cost-related general and management activities and investment returns distributed pursuant to the Organization's investment spending policy. Operating expenses exclude gains and losses that are peripheral or incidental to the central operations of the Organization and non-cash depreciation on long-lived assets.

Income Taxes
The Internal Revenue Service has determined that NYRP, the Boathouse and the Trust are charitable organizations exempt from federal income taxes under Sections 501(c)(3), 501(c)(2), and 501(c)(2), respectively, of the IRC. Enterprise accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based upon management's evaluation of all available information, it is more likely than not that the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management's judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

Cash and Cash Equivalents
Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. For purposes of the consolidated financial statements, cash and cash equivalents exclude permanently and temporarily restricted cash and cash equivalents.

Contributions and Grants Receivable
The Organization's receivables consist of unconditional promises to give from donors, and receivables due from federal, state and local funding agencies.

The Organization has determined that all receivables are fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to expense when that determination is made.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value

GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Under GAAP, the three levels of the fair value hierarchy are described as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect management's own assumptions.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2016 and 2015:

Equity securities are valued at the last sale price on the exchange on which the security is principally traded. Listed equity securities for which the latest sale prices are not available generally are valued at the mean of the latest bid and ask price as of the closing of the primary exchange where such securities are normally traded. Unlisted equity securities generally are valued at the last sale price.

Fixed income securities generally are valued based on bid-side quotations or evaluated bids based on the internal models used by an independent pricing service.

Short-term investments maturing in 61 days or less are valued at amortized cost, which approximates market value.

Structured products, over-the-counter derivatives, and alternative investments are valued at an evaluated price provided by a counterparty or fund manager.

Mutual funds are priced using the net asset value per unit as of the valuation date.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at either their cost at the date of acquisition or their fair value at the date of donation. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method:

Boathouse	2 years *
Capital improvements - community gardens	39 years
Furniture and equipment	3-7 years
Website	5 years
Vehicles and boats	5-7 years

Leasehold improvements are amortized using the straight-line method over the shorter of the life of the improvement or the remaining length of the lease or license agreement.

* In September 2015, the Board of Trustees determined that the Peter Jay Sharp Boathouse would be decommissioned upon termination of the management agreement with its tenant, planned for fiscal year 2016. As a result, the depreciation of the Boathouse has been accelerated to reflect a remaining useful life of two years from October 1, 2014.

Long-Lived Assets

Long-lived assets are reviewed for impairment when changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization evaluates the recoverability of its long-lived assets whenever events or changes in circumstances indicate that a recorded asset might not be recoverable by taking into consideration such factors as recent operating results, projected undiscounted cash flows and plans for future operations. Assets to be disposed of and assets not expected to provide any future service potential to the Organization are recorded at the lower of carrying amount or fair value less cost to sell. Although management believes the assumptions used in testing for impairment are reasonable, changes in any one of the assumptions could produce a significantly different result. In management's judgment, there were no impairments of any long-lived assets as of September 30, 2016 and 2015.

Revenue Recognition

Contributions are recognized when a donor makes a promise to give to the Organization that is in substance unconditional. Conditional promises to give are recognized as contributions when substantially all conditions are met. Contributions received are measured at their fair value and reported as an increase in net assets. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)
Revenue from government contracts and grants is recognized in grant income either when costs are incurred or services are performed.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and its fund-raising activities; however, no amounts have been reflected in the statements for donated services inasmuch as no objective basis is available to measure the value of such services.

The free use of facilities and donated professional services and supplies provided for program activities, management and general activities, or fund-raising activities are recorded in the accompanying consolidated financial statements at their estimated fair values at the date of use or receipt.

Revenue from the sale of food and beverages is recognized at the point of sale.

Deferred Fundraising Revenue
Contributions related to and received in advance of a fund-raising event or stipulated contract year are deferred until the actual occurrence of the event or the appropriate fiscal year, at which time the contributions are then recognized as revenue.

Functional Allocation of Expenses
The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been consistently allocated among the programs and supporting services in reasonable amounts and ratios determined by management.

Subsequent Events
These financial statements were approved by management and available for issuance on January 11, 2017. Management has evaluated subsequent events through this date.

3 - CONCENTRATION

Approximately 13% and 10% of the Organization's total public support and revenue was received from one donor during the years ended September 30, 2016 and 2015, respectively.

4 - PROPERTY AND EQUIPMENT

The Organization's property and equipment consisted of the following:

	September 30, 2016	September 30, 2015
Community garden sites - restricted (1)	$ 1,142,650	$ 1,142,650
Capital improvements - community gardens	5,797,956	5,276,817
Office equipment	575,923	568,123
Website development	146,500	146,500
Vehicles and boats	573,916	573,916
Leasehold improvements	90,337	90,337
Peter Jay Sharp Boathouse, Inc. - Boathouse	4,714,598	4,714,598
Construction in progress	128,071	-
	13,169,951	12,512,941
Less - Accumulated depreciation	(6,971,859)	(6,114,555)
	$ 6,198,092	$ 6,398,386

(1) Under the contract to acquire the community garden sites (the "Property"), the use of a site or sites is restricted by the Organization's agreement with the City of New York for open-space purposes, unless the Organization, upon written request to and with permission from the City of New York, is permitted to use the Property for other purposes. However, should the Organization elect to use the Property for purposes other than open space, the City of New York, through the Economic Development Corporation, will have the option to reacquire the Property for no consideration. All garden sites have been utilized for open-space purposes for the years ended September 30, 2016 and 2015.

In fiscal 2015, the Trust sold the air rights on the Property of the community garden at 103rd Street in Manhattan in exchange for $500,000 in cash and title to a 2,000 square foot parcel of land adjacent to the 103rd Street garden.

5 - CONTRIBUTIONS RECEIVABLE

The Organization's contributions receivable are due as follows:

	September 30, 2016	September 30, 2015
Within one year	$ 3,152,410	$ 2,072,984
One to two years	2,440,000	4,379,000
	$ 5,592,410	$ 6,451,984

6 - FAIR VALUE MEASUREMENTS

The following tables summarize the Organization's fair value measurements on a recurring or nonrecurring basis:

September 30, 2016	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity mutual funds	$ 1,943,901	$ -	$ -	$ 1,943,901
Non-US fixed income	72,084	-	-	72,084
US fixed income	2,989,908	-	-	2,989,908
Total mutual funds	5,005,893	-	-	5,005,893
Exchange traded funds	1,019,725	-	-	1,019,725
Total investments	$ 6,025,618	$ -0-	$ -0-	$ 6,025,618

September 30, 2015	Level 1	Level 2	Level 3	Total
Mutual funds				
Equity mutual funds	$ 2,123,859	$ -	$ 47,195	$ 2,171,054
US fixed income	1,506,227	-	-	1,506,227
Total mutual funds	3,630,086	-	47,195	3,677,281
Exchange traded funds	749,361	-	-	749,361
Total investments	$ 4,379,447	$ -0-	$ 47,195	$ 4,426,642

6 - FAIR VALUE MEASUREMENTS (Continued)

The following table represents the investment return for the years ended September 30, 2016 and 2015:

	2016	2015
Interest and dividends	$ 133,827	$ 102,609
Realized gain on investments	55,195	275,280
Unrealized gain (loss) on investments	242,569	(441,855)
	$ 431,591	$ (63,966)

7 - LINE OF CREDIT - BANK

On April 13, 2015, the Organization entered into a $2,000,000 revolving line of credit. The line is collateralized by certain assets of the Organization, requires monthly interest-only payments on the unpaid principal balance and bears interest at LIBOR plus 3%. The line was renewed on April 21, 2016. The principal balance and any unpaid interest will be due on the maturity date of May 31, 2017. At September 30, 2016, the amount outstanding on the line of credit was $230,000. There was no amount outstanding as of September 30, 2015.

8 - TEMPORARILY RESTRICTED NET ASSETS

The following summarizes the changes in temporarily restricted net assets:

Fiscal 2016				
Program	Balance, October 1, 2015	Contributions	Released from Restrictions	Balance, September 30, 2016
Community gardens	$ 3,153,013	$ 1,067,422	$ (4,196,890)	$ 23,545
Education	-	41,000	(41,000)	-
Million Trees NYC program	65,925	-	(65,925)	-
Tree giveaways	-	570,000	(190,000)	380,000
Restricted to future periods	-	65,000	-	65,000
Sherman Creek Boat House	4,554,903	221,000	(268,067)	4,507,836
Resilience Project	78,960	150,000	(228,960)	-
Cultural arts and garden programming	41,523	150,000	(91,523)	100,000
Other	10,912	50,000	(10,912)	50,000
	$ 7,905,236	$ 2,314,422	$ (5,093,277)	$ 5,126,381

8 - TEMPORARILY RESTRICTED NET ASSETS (Continued)

	Fiscal 2015			
Program	Balance, October 1, 2014	Contributions	Released from Restrictions	Balance, September 30, 2015
Community gardens	$ 386,783	$ 3,193,500	$ (427,270)	$ 3,153,013
Education	-	42,500	(42,500)	-
Million Trees NYC program	642,004	-	(576,079)	65,925
Restricted to future periods	500,000	-	(500,000)	-
Sherman Creek Boat House	4,556,330	-	(1,427)	4,554,903
Resilience Project	292,159	90,000	(303,199)	78,960
Cultural arts and garden programming	270,274	-	(228,751)	41,523
Other	190,620	2,000	(181,708)	10,912
	$ 6,838,170	$ 3,328,000	$ (2,260,934)	$ 7,905,236

9 - PERMANENTLY RESTRICTED NET ASSETS

The Organization’s permanently restricted net assets consist of the following:

	September 30, 2016	September 30, 2015
Land held by New York Garden Trust	$ 1,142,650	$ 1,142,650
Endowment assets to support operations	2,314,294	2,314,294
	$ 3,456,944	$ 3,456,944

Interpretation of Relevant Law

Based on the interpretations of the New York Prudent Management of Institutional Funds Act (“NYPMIFA”), GAAP and absent explicit donor stipulations to the contrary, the Board of Trustees has interpreted NYPMIFA as requiring the preservation in perpetuity of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

9 - PERMANENTLY RESTRICTED NET ASSETS (Continued)

Return Objectives and Risk Parameters
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets and assuming a moderate level of investment risk.

The Organization's investment objective is to earn the highest possible yield consistent with a prudent level of risk. From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires to retain as a fund of perpetual duration. Deficiencies of this nature would be reported in unrestricted net assets. Subsequent gains that restore the fair value of the assets of the donor-restricted endowment fund to the required level will be classified as an increase in unrestricted net assets.

Spending Policy
The Organization's Board of Trustees has authorized a policy designed to preserve the value of these pooled investments in real terms (after inflation) and provide a predictable flow of funds to assure the investment pool's continued growth. The Organization's investment pool includes contributions, interest, dividends, and realized and unrealized gains and losses, net of investment management fees. The policy permits the use of a spending rate of up to a maximum of 5% applied to a moving average of the investment pool as of September 30 of the three previous years.

10 - DONATED GOODS AND SERVICES

Donated goods and services consisted of the following:

	Year Ended September 30,	
	2016	2015
Legal services*	$ 528,217	$ 408,118
Garden supplies and other gifts**	99,179	45,714
	$ 627,396	$ 453,832

* Donated legal services are from a law firm in which a Board member of the Organization is a partner.

**Includes $24,939 and $17,300 of in-kind gifts donated for special events in fiscal 2016 and 2015, respectively.

11 - RETIREMENT PLAN

The Organization maintains a defined contribution 401(k) plan covering all eligible employees. The plan provides for discretionary employer matching contributions for participating and eligible employees. There were no contributions made by the Organization in connection with the plan for the year ended September 30, 2016.

12 - INCOME TAXES

Enterprise had no deferred tax assets or liabilities for the years ended September 30, 2016 and 2015.

As a result of the Purchase and Sale Agreement entered into by Enterprise, as discussed in Note 13, the deferred tax assets were written off in full during fiscal 2015, resulting in the reversal of the valuation allowance of $418,000.

The changes in deferred tax assets/liabilities are as follows:

	Year Ended September 30,	
	2016	2015
Changes attributable to depreciation and sale	$ -	$ (278,000)
Change in net operating loss	-	(140,000)
Changes in valuation allowance	-	418,000
Deferred tax expense	$ -0-	$ -0-

13 - COMMITMENTS AND CONTINGENCIES

Operating Leases

NYRP leases its primary office space under a ten-year noncancellable lease that commenced in April 2006. Effective November 1, 2015, the lease was extended for an additional five years to expire on March 31, 2021. Minimum future annual rentals required under this lease are as follows:

Year Ending September 30,	
2017	$ 173,565
2018	185,521
2019	197,838
2020	212,773
2021	112,392
	$ 882,089

13 - COMMITMENTS AND CONTINGENCIES (Continued)

Operating Leases (Continued)
NYRP is subject to real estate tax and operating expense escalations under the lease and has deposited $54,000 with the landlord as lease security, which is included in "Other assets" in the accompanying consolidated statements of financial position.

Rental payments under this lease are recognized on a straight-line basis over the term of the lease. The difference between actual rent paid and the expense payable under the term of the lease is included in "Accounts payable, accrued expenses and other liabilities" in the accompanying consolidated statements of financial position. Rent expense was $224,238 and $171,680 for the years ended September 30, 2016 and 2015, respectively.

The Organization leases additional office space on a month-to-month basis at a monthly rent of $4,000.

License Agreements
Effective January 1, 2000, the Organization entered into a ten-year agreement with the Parks Department to manage, maintain, operate, and improve Sherman Creek Wetlands (Swindler Cove Park) (the "Park"). In addition, the agreement authorizes the Organization to moor the Boathouse at the Park for ten years, and be permitted access to the Boathouse by way of the Park. On October 24, 2000, the agreement was amended to allow for two additional five-year term extensions to moor the Boathouse. The agreement may be terminated by the Organization with 90 days' prior notice. In fiscal 2016, the Boathouse was decommissioned.

On December 30, 2014, Enterprise entered into a Purchase and Sale Agreement with a buyer for all of its rights and interest as licensee (with the New York City Department of Parks and Recreation) to operate a restaurant, all personal property including equipment, supplies and fixtures and interest in any intangible property. The buyer assumed all liabilities for any future payments associated with the license agreement with the New York City Department of Parks and Recreation. The purchase price of $84,005 consisted of the assumption of Enterprise's obligations for event deposits received before December 29, 2014 and outstanding gift certificates. Enterprise recognized a loss on this sale of $320,260 in fiscal 2015.

Government Grants
Government-funded activities are subject to audit by the applicable granting agencies. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying consolidated financial statements. Accordingly, no amounts have been provided in the accompanying consolidated financial statements for such potential claims.