

REGIONAL PLAN ASSOCIATION, INC.

**Financial Statements
for the year ended
June 30, 2015**

Independent Auditor's Report

Board of Directors of
Regional Plan Association, Inc.

We have audited the accompanying financial statements of Regional Plan Association, Inc. (the "Association") which comprise the statement of financial position as of June 30, 2015 and the related 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 financial statements referred to in the first paragraph on the previous page present fairly, in all material respects, the financial position of Regional Plan Association, Inc. as of June 30, 2015 and the results of its activities 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 Association's 2014 financial statements, and our report dated August 19, 2014 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Meara McGinty + Dowd LLP

REGIONAL PLAN ASSOCIATION, INC.

Statement of Financial Position

Assets

	<u>June 30</u>	
	<u>2015</u>	<u>2014</u>
Cash	\$ 3,138,291	\$ 1,250,512
Pledges receivable	1,880,281	3,472,177
Prepaid expenses and deposits	<u>16,331</u>	<u>16,373</u>
Sub-total	<u>5,034,903</u>	<u>4,739,062</u>
Furniture, fixtures and equipment, at cost	1,113,682	1,006,563
Less accumulated depreciation	<u>976,760</u>	<u>946,328</u>
Net furniture, fixtures and equipment	<u>136,922</u>	<u>60,235</u>
Total assets	<u>\$ 5,171,825</u>	<u>\$ 4,799,297</u>

Liabilities and Net Assets

Accounts payable, accrued expenses and other	\$ 227,380	\$ 220,158
Accrued employee benefits	<u>110,414</u>	<u>132,336</u>
Total liabilities	<u>337,794</u>	<u>352,494</u>
Net assets		
Unrestricted		
Operating (deficit)	(109,440)	(163,342)
Board designated	<u>951,525</u>	<u>905,525</u>
Total unrestricted	842,085	742,183
Temporarily restricted	3,415,572	3,369,283
Permanently restricted	<u>576,374</u>	<u>335,337</u>
Total net assets	<u>4,834,031</u>	<u>4,446,803</u>
Total liabilities and net assets	<u>\$ 5,171,825</u>	<u>\$ 4,799,297</u>

See notes to financial statements.

REGIONAL PLAN ASSOCIATION, INC.

Statement of Activities
Year Ended June 30, 2015

(with Summarized Comparative Information for the Year Ended June 30, 2014)

	Year Ended June 30					2014 Total
	2015				Total	
	Unrestricted Operating	Board- Designated	Temporarily Restricted	Permanently Restricted		
Public support and revenue						
Public support						
Grants and contributions	\$ 977,307	\$ 221,000	\$ 4,993,559	\$ 241,037	\$ 6,432,903	\$ 7,730,791
Regional assembly (net of direct expenses of \$418,915 in 2015 and \$329,348 in 2014)	295,930	-	-	-	295,930	218,377
Net assets released from restrictions	4,947,270	-	(4,947,270)	-	-	-
Total public support	6,220,507	221,000	46,289	241,037	6,728,833	7,949,168
Revenue						
Interest	715	-	-	-	715	663
Miscellaneous	6,051	-	-	-	6,051	8,713
Total revenue	6,766	-	-	-	6,766	9,376
Total public support and revenue	6,227,273	221,000	46,289	241,037	6,735,599	7,958,544
Expenses						
Program services						
Research	4,904,699	-	-	-	4,904,699	5,366,068
Public affairs	480,419	-	-	-	480,419	269,566
Supporting services						
Management and general	345,461	175,000	-	-	520,461	334,005
Fund-raising	442,792	-	-	-	442,792	435,367
Total expenses	6,173,371	175,000	-	-	6,348,371	6,405,006
Increase in net assets	53,902	46,000	46,289	241,037	387,228	1,553,538
Net assets (deficit), beginning of year	(163,342)	905,525	3,369,283	335,337	4,446,803	2,893,265
Net assets (deficit), end of year	\$ (109,440)	\$ 951,525	\$ 3,415,572	\$ 576,374	\$ 4,834,031	\$ 4,446,803

See notes to financial statements.

REGIONAL PLAN ASSOCIATION, INC.

**Statement of Functional Expenses
Year Ended June 30, 2015
(with Summarized Comparative Information for the Year Ended June 30, 2014)**

	<u>Program Services*</u>		<u>Supporting Services</u>		<u>2015 Total Expenses</u>	<u>2014 Total Expenses</u>
	<u>Research</u>	<u>Public Affairs</u>	<u>Management and General</u>	<u>Fund- Raising</u>		
Salaries and wages	\$1,705,128	\$ 265,952	\$ 152,685	\$ 257,707	\$2,381,472	\$2,283,741
Payroll taxes	135,143	21,078	12,101	20,425	188,747	173,968
Employee health and welfare benefits	316,500	49,391	33,044	47,824	446,759	375,370
Professional fees	2,358,008	57,286	75,938	79,776	2,571,008	2,834,104
Supplies	37,289	4,584	9,814	4,557	56,244	57,758
Telephone	29,647	12,575	12,645	4,313	59,180	60,269
Postage and shipping	28,942	2,370	5,671	2,164	39,147	41,900
Occupancy	70,434	26,756	4,915	8,296	110,401	89,179
Rental and maintenance equipment	44,848	6,976	3,895	6,574	62,293	52,679
Travel	24,121	3,811	1,658	1,725	31,315	77,632
Conferences and meetings	105,368	10,029	4,150	2,761	122,308	265,785
Printing and publications	5,489	9,183	352	120	15,144	29,514
Membership dues	6,611	1,154	2,930	999	11,694	3,752
Computer, website and internet	2,950	460	1,307	446	5,163	6,599
Advertisement	124	3,427	-	-	3,551	2,734
Bank charges and fees	8,057	1,206	3,427	1,169	13,859	13,327
Uncollectible accounts	-	-	192,093	-	192,093	17,633
Miscellaneous	4,251	783	1,884	643	7,561	8,153
Sub-total	4,882,910	477,021	518,509	439,499	6,317,939	6,394,097
Depreciation	21,789	3,398	1,952	3,293	30,432	10,909
Total	\$4,904,699	\$ 480,419	\$ 520,461	\$ 442,792	\$6,348,371	\$6,405,006

* For the 2015 fiscal year, the program services expense percentage to overall expenses was approximately 85%.

See notes to financial statements.

REGIONAL PLAN ASSOCIATION, INC.

Statement of Cash Flows

	Year Ended	
	June 30	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Increase in net assets	\$ 387,228	\$ 1,553,538
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities		
Depreciation	30,432	10,909
Contributed securities	(13,864)	-
Proceeds from sale of contributed securities	13,864	-
Permanently restricted contributions	(241,037)	(267,750)
(Increase) decrease in assets		
Pledges receivable	1,591,896	(1,172,903)
Prepaid expenses and deposits	42	(1,259)
Increase (decrease) in liabilities		
Accounts payable, accrued expenses and other	7,222	(242,727)
Accrued employee benefits	(21,922)	(19,181)
Net cash provided by (used in) operating activities	1,753,861	(139,373)
Cash flows (used in) investing activities		
Expenditures for furniture, fixtures and equipment	(107,119)	(40,019)
Cash flows from financing activities		
Permanently restricted contributions	241,037	267,750
Net increase in cash	1,887,779	88,358
Cash, beginning of year	<u>1,250,512</u>	<u>1,162,154</u>
Cash, end of year	<u>\$ 3,138,291</u>	<u>\$ 1,250,512</u>

See notes to financial statements.

REGIONAL PLAN ASSOCIATION, INC.**Notes to Financial Statements
June 30, 2015****Note 1 – Organization**

Regional Plan Association, Inc. (the “Association”) is a nonprofit regional planning organization that promotes the improvement of the quality of life and economy in the New York, New Jersey and Connecticut tri-state region.

Note 2 – Significant accounting policies**Financial reporting**

The Association reports information regarding its financial position and activities in three classes of net assets, which are as follows:

Unrestricted

- Operating net assets are used to account for the general activity of the Association.
- Board-designated net assets consist of contributions in connection with the capital campaign and it is the intent of the Association to preserve the principal; however the donors have granted the Association the flexibility to use the principal at the discretion of the Board of Directors.

Temporarily restricted

Temporarily restricted net assets represent expendable gifts and grants received, which are restricted by the donor or pertain to future periods. When the funds are spent, they are released from their restriction.

Permanently restricted

Permanently restricted net assets have been restricted by the donor to be kept by the Association in perpetuity. However, the Association is permitted to expend the revenue derived from the assets.

Cash equivalents

The Association considers highly liquid assets with original maturities of ninety days or less to be cash equivalents.

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)

June 30, 2015

Note 2 – Significant accounting policies (continued)

Contributions and net assets released from restrictions

The Association reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose of the 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. The net assets that were released from temporarily restricted net assets used to fund the program described in note 1 to the financial statements.

Pledges receivable

At June 30, 2015, the pledges receivable are expected to be collected as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$ 1,417,110
2017	409,971
2018	52,100
2019	<u>1,100</u>
Total	<u>\$ 1,880,281</u>

Allowance for doubtful accounts

The Association deems all pledges receivable to be collectible and, accordingly, does not have an allowance for doubtful accounts for any potentially uncollectible receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Furniture, fixtures and equipment

Furniture, fixtures and equipment, above a nominal amount with an estimated useful life of one year or longer, are recorded at cost and are being depreciated by the straight-line method over their estimated useful lives of the assets ranging from four to five years.

REGIONAL PLAN ASSOCIATION, INC.**Notes to Financial Statements (continued)****June 30, 2015****Note 2 – Significant accounting policies (continued)****Concentrations of credit risk**

The Association's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and pledges receivable. The Association places its cash with what it believes to be quality financial institutions and the Association has not incurred any losses in these accounts to date. The Association monitors its pledges receivable on an ongoing basis and management believes all pledges are collectible. Therefore, the Association believes no significant concentrations of credit risk exist with respect to its cash and pledges receivable.

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 amounts reported in the financial statements. Actual results could differ from these estimates.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional classification. 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 Association's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Subsequent events

The Association has evaluated events and transactions for potential recognition or disclosure through August 12, 2015, which is the date the financial statements were available to be issued.

Note 3 – Retirement plan

The Association maintains a defined contribution pension plan for all qualified employees. Contributions are made to the plan based on a percentage of the participating employees' salaries. For the 2015 fiscal year, the Association made contributions to the plan for eight months. For the 2014 fiscal year, the Association made contributions to the plan for the entire year. The pension expense for the years ended June 30, 2015 and 2014 was \$87,039 and \$134,045, respectively.

REGIONAL PLAN ASSOCIATION, INC.**Notes to Financial Statements (continued)****June 30, 2015****Note 4 – Line of credit**

The Association has available through April 17, 2016 a \$500,000 secured line of credit with a bank. Any amounts borrowed under the line, require interest at the Prime Rate plus ½%. At June 30, 2015, there were no amounts outstanding under the line.

Note 5 – Lease agreements

The Association leases office space for its headquarters in New York City under the terms of a lease which expires February 14, 2017. The lease requires monthly rent payments of \$7,477 increasing to \$8,225 in the final year of the lease.

In addition, the Association leases office space in New Jersey under the terms of a five year lease, expiring January 31, 2019. The lease requires an annual rent of \$14,272 for the first 30 months of the lease, increasing to \$14,791 for the remaining term of the lease.

Rent expense in connection with these leases totaled \$110,401 and \$89,179 for the 2015 and 2014 fiscal years, respectively.

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)
June 30, 2015Note 6 – Temporarily restricted net assets

The activities in the temporarily restricted net assets consist of the following:

	Balance at June 30, <u>2014</u>	Support <u>Support</u>	Released from <u>Restrictions</u>	Balance at June 30, <u>2015</u>
Fourth Regional Plan	\$ 1,173,889	\$ 2,483,501	\$ (1,563,227)	\$ 2,094,163
Dayton Neighborhood Revitalization Study	-	150,000	(21,405)	128,595
Flushing Creek Sponge Park	155,934	-	(28,683)	127,251
Jamaica Bay - ARUP	166,075	-	(76,224)	89,851
Global Lab	199,864	139,200	(249,444)	89,620
Highlands Master Plan Update	-	150,000	(64,993)	85,007
NY Transit Friendly Planning	163,399	842	(89,373)	74,868
NYSER – Development Authority	-	125,000	(56,156)	68,844
Metropolitan Rail Discussion Group	-	101,000	(37,676)	63,324
Resilient Growth Management	18,995	115,750	(86,557)	48,188
Woolwich	-	47,041	(6,218)	40,823
New Jersey Issues	21,401	52,500	(38,774)	35,127
Suffolk On Call	58,953	131,655	(155,726)	34,882
Move NY	73,230	768,835	(809,717)	32,348
Bus Rapid Transit	-	74,436	(43,897)	30,539
Highlands FIA	-	31,870	(3,995)	27,875
East Harlem Housing	21,659	20,000	(14,349)	27,310
Dayton Outreach	-	25,000	-	25,000
Volvo Transit Leadership Workshop	36,234	110,676	(121,976)	24,934
Lincoln 2015 – DC Conference	36,642	-	(13,919)	22,723
BHI – Phase IV	22,981	-	(472)	22,509
Hudson Valley Smart Growth	56,674	-	(34,660)	22,014
Yangon Master Plan	56,894	-	(37,418)	19,476
Rebuild by Design	40,830	-	(21,751)	19,079
Regenerative Design II	34,098	-	(15,281)	18,817
NPS Landscape	4,826	12,489	-	17,315
GCA	53,579	-	(36,768)	16,811
Energy Program	42,054	-	(25,678)	16,376
Long Island Index	28,302	15,000	(28,401)	14,901
Lincoln 2015 – Community Scenario Workshop	22,303	-	(8,974)	13,329
FCCF – CT Office	-	15,000	(2,305)	12,695
Long Island Housing Profiles	-	22,000	(10,568)	11,432
Urban National Parks	12,736	-	(2,715)	10,021

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)

June 30, 2015

Note 6 – Temporarily restricted net assets (continued)

	Balance at June 30, 2014	Support	Released from Restrictions	Balance at June 30, 2015
Economic Impact of HRP	\$ 23,997	\$ -	\$ (14,455)	\$ 9,542
CT TOD Partnership	6,179	4,750	(4,173)	6,756
Urban Systems Symposium	3,668	-	-	3,668
Orange County Water Authority	18,321	-	(15,246)	3,075
Revitalization Through Resiliency	-	84,250	(81,942)	2,308
County of Ulster	2,196	-	-	2,196
Other	1,980	-	-	1,980
Governors Island	363,994	110,333	(474,327)	-
Brooklyn Greenway	120,546	-	(120,546)	-
Jamaica Bay Greenway	56,285	2,475	(58,760)	-
Crossing the Hudson	35,471	55,000	(90,471)	-
Northeast Corridor	35,165	-	(35,165)	-
HUD – NJ	34,531	-	(34,531)	-
Politics of Rebuilding Ground Zero	27,952	-	(27,952)	-
Ghana Urbanization Review	25,093	-	(25,093)	-
Rethinking Penn Station	20,265	-	(20,265)	-
Harlem Culture	17,219	-	(17,219)	-
CITI 2010	13,663	-	(13,663)	-
Urban Factories	12,711	-	(12,711)	-
Jamaica Bay Water Trail	12,408	-	(12,408)	-
Orange County Web Design Manual	12,000	-	(12,000)	-
Energy Grid	10,161	-	(10,161)	-
Newark Master Plan	7,436	-	(7,436)	-
Flushing Storm Water Study	4,409	-	(4,409)	-
4RP Transportation Research	2,081	-	(2,081)	-
Esta	-	10,000	(10,000)	-
Newark Convention Center	-	5,000	(5,000)	-
Mayors Institute- Australia	-	10,500	(10,500)	-
Eno report	-	9,456	(9,456)	-
NYC Skyline Project Workshop	-	110,000	(110,000)	-
Total	<u>\$ 3,369,283</u>	<u>\$ 4,993,559</u>	<u>\$ (4,947,270)</u>	<u>\$ 3,415,572</u>

Note 7 – Tax status

The Association is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Association has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation under the meaning of Section 509(a)(1) of the Code. As of June 30, 2015, no amounts have been recognized for uncertain income tax positions. The Association’s tax return for fiscal year 2012 and forward are subject to the usual review by the appropriate authorities.