



**Financial Statements
(Together with Independent Auditors' Report)**

For the Years Ended December 31, 2019 and 2018

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

RANDALL'S ISLAND PARK ALLIANCE, INC.

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Randall's Island Park Alliance, Inc.

We have audited the accompanying financial statements of the Randall's Island Park Alliance, Inc. (the "Alliance"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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 above present fairly, in all material respects, the financial position of the Alliance as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marks Paneth LLP

New York, NY
May 21, 2020

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and cash equivalents (Notes 2C and 14)	\$ 5,638,167	\$ 6,323,421
Contributions and license revenue receivable (Notes 2E and 4)	1,078,110	302,521
Investments (Notes 2D, 5 and 6)	3,284,588	2,919,866
Prepaid expenses and other assets	214,142	190,392
Due from City of New York/Parks and Recreation (Note 9)	96,973	-
TOTAL ASSETS	\$ 10,311,980	\$ 9,736,200
 LIABILITIES		
Accounts payable and accrued expenses	\$ 295,381	\$ 952,347
Deferred events revenue (Note 2I)	20,426	28,584
TOTAL LIABILITIES	315,807	980,931
 CONTINGENCIES (Note 12)		
 NET ASSETS (Note 2B)		
Without donor restrictions:		
Operating	6,382,467	4,612,380
Board designated reserve fund (Note 7)	3,213,076	3,974,565
Total without donor restrictions	9,595,543	8,586,945
With donor restrictions (Note 15)	400,630	168,324
TOTAL NET ASSETS	9,996,173	8,755,269
TOTAL LIABILITIES AND NET ASSETS	\$ 10,311,980	\$ 9,736,200

The accompanying notes are an integral part of these financial statements.

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Year Ended December 31, 2019			Year Ended December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total 2019	Without Donor Restrictions	With Donor Restrictions	Total 2018
REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT:						
Special events revenue (Note 2J)	\$ 1,270,866	\$ -	\$ 1,270,866	\$ 1,291,792	\$ -	\$ 1,291,792
Less: cost of direct benefit to donors	<u>(238,461)</u>	<u>-</u>	<u>(238,461)</u>	<u>(264,143)</u>	<u>-</u>	<u>(264,143)</u>
Net revenues from special events	1,032,405	-	1,032,405	1,027,649	-	1,027,649
Grants and contributions (Notes 2B and 2K)	2,774,994	385,550	3,160,544	2,560,103	187,500	2,747,603
In-kind support (Notes 2F and 10)	105,571	-	105,571	128,836	-	128,836
License revenue (Note 8)	4,760,791	-	4,760,791	4,847,680	-	4,847,680
Investment activity (Note 5)	392,210	-	392,210	(75,032)	-	(75,032)
Net assets released from restrictions (Note 15)	<u>153,244</u>	<u>(153,244)</u>	<u>-</u>	<u>269,577</u>	<u>(269,577)</u>	<u>-</u>
TOTAL REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT	<u>9,219,215</u>	<u>232,306</u>	<u>9,451,521</u>	<u>8,758,813</u>	<u>(82,077)</u>	<u>8,676,736</u>
EXPENSES (Note 2G):						
Program Services:						
Capital projects	960,073	-	960,073	3,174,942	-	3,174,942
Icahn stadium	817,430	-	817,430	836,340	-	836,340
Maintenance and improvement of parkland	2,842,083	-	2,842,083	2,687,023	-	2,687,023
Other program expenses	<u>1,823,105</u>	<u>-</u>	<u>1,823,105</u>	<u>1,884,907</u>	<u>-</u>	<u>1,884,907</u>
Total program services	<u>6,442,691</u>	<u>-</u>	<u>6,442,691</u>	<u>8,583,212</u>	<u>-</u>	<u>8,583,212</u>
Supporting Services:						
Management and general	1,191,749	-	1,191,749	1,108,895	-	1,108,895
Fundraising	<u>576,177</u>	<u>-</u>	<u>576,177</u>	<u>653,408</u>	<u>-</u>	<u>653,408</u>
Total supporting services	<u>1,767,926</u>	<u>-</u>	<u>1,767,926</u>	<u>1,762,303</u>	<u>-</u>	<u>1,762,303</u>
TOTAL EXPENSES	<u>8,210,617</u>	<u>-</u>	<u>8,210,617</u>	<u>10,345,515</u>	<u>-</u>	<u>10,345,515</u>
CHANGE IN NET ASSETS	1,008,598	232,306	1,240,904	(1,586,702)	(82,077)	(1,668,779)
Net assets - beginning of year	<u>8,586,945</u>	<u>168,324</u>	<u>8,755,269</u>	<u>10,173,647</u>	<u>250,401</u>	<u>10,424,048</u>
NET ASSETS - END OF YEAR	<u>\$ 9,595,543</u>	<u>\$ 400,630</u>	<u>\$ 9,996,173</u>	<u>\$ 8,586,945</u>	<u>\$ 168,324</u>	<u>\$ 8,755,269</u>

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals For December 31, 2018)

	For the Year Ended December 31, 2019									
	Program Services					Supporting Services				
	Capital Projects	Icahn Stadium	Maintenance and Improvement of Parkland	Other Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2019	Total 2018
Salaries (Note 9)	\$ 109,538	\$ 445,472	\$ 1,153,513	\$ 1,252,200	\$ 2,960,723	\$ 530,563	\$ 302,959	\$ 833,522	\$ 3,794,245	\$ 3,510,929
Payroll taxes and employee benefits (Notes 9 and 13)	23,792	120,173	255,368	295,363	694,696	118,253	66,400	184,653	879,349	798,938
Total salaries and related costs	133,330	565,645	1,408,881	1,547,563	3,655,419	648,816	369,359	1,018,175	4,673,594	4,309,867
Salaries and fringe - grant funded Park positions	-	-	432,363	-	432,363	-	-	-	432,363	418,541
Contracted services and professional fees	826,743	136,796	100,789	61,346	1,125,674	60,815	41,022	101,837	1,227,511	3,716,241
Office expenses (Note 9)	-	2,223	54,255	39,023	95,501	376,040	22,409	398,449	493,950	469,582
Park maintenance, supplies and equipment (Note 9)	-	112,766	845,795	63,575	1,022,136	-	15,933	15,933	1,038,069	1,074,913
Event and general fundraising expenses	-	-	-	-	-	-	365,915	365,915	365,915	412,000
Outreach and community events	-	-	-	111,598	111,598	-	-	-	111,598	135,064
Marketing and communications	-	-	-	-	-	106,078	-	106,078	106,078	73,450
	<u>960,073</u>	<u>817,430</u>	<u>2,842,083</u>	<u>1,823,105</u>	<u>6,442,691</u>	<u>1,191,749</u>	<u>814,638</u>	<u>2,006,387</u>	<u>8,449,078</u>	<u>10,609,658</u>
Less: expenses netted against revenue	-	-	-	-	-	-	(238,461)	(238,461)	(238,461)	(264,143)
TOTAL EXPENSES	\$ 960,073	\$ 817,430	\$ 2,842,083	\$ 1,823,105	\$ 6,442,691	\$ 1,191,749	\$ 576,177	\$ 1,767,926	\$ 8,210,617	\$ 10,345,515

The accompanying notes are an integral part of these financial statements.

**RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total 2018</u>
	<u>Capital Projects</u>	<u>Icahn Stadium</u>	<u>Maintenance and Improvement of Parkland</u>	<u>Other Program Expenses</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Salaries (Note 9)	\$ 90,139	\$ 440,564	\$ 929,615	\$ 1,174,031	\$ 2,634,349	\$ 525,187	\$ 351,393	\$ 876,580	\$ 3,510,929
Payroll taxes and employee benefits (Notes 9 and 13)	18,241	101,739	216,196	273,899	610,075	113,446	75,417	188,863	798,938
Total salaries and related costs	108,380	542,303	1,145,811	1,447,930	3,244,424	638,633	426,810	1,065,443	4,309,867
Salaries and fringe - grant funded Park positions	-	-	418,541	-	418,541	-	-	-	418,541
Contracted services and professional fees	3,066,562	123,775	153,194	276,929	3,620,460	66,003	29,778	95,781	3,716,241
Office expenses (Note 9)	-	3,760	87,113	24,984	115,857	330,809	22,916	353,725	469,582
Park maintenance, supplies and equipment (Note 9)	-	166,502	882,364	-	1,048,866	-	26,047	26,047	1,074,913
Event and general fundraising expenses	-	-	-	-	-	-	412,000	412,000	412,000
Outreach and community events	-	-	-	135,064	135,064	-	-	-	135,064
Marketing and communications	-	-	-	-	-	73,450	-	73,450	73,450
	<u>3,174,942</u>	<u>836,340</u>	<u>2,687,023</u>	<u>1,884,907</u>	<u>8,583,212</u>	<u>1,108,895</u>	<u>917,551</u>	<u>2,026,446</u>	<u>10,609,658</u>
Less: cost of direct benefit to donors	-	-	-	-	-	-	(264,143)	(264,143)	(264,143)
TOTAL EXPENSES	<u>\$ 3,174,942</u>	<u>\$ 836,340</u>	<u>\$ 2,687,023</u>	<u>\$ 1,884,907</u>	<u>\$ 8,583,212</u>	<u>\$ 1,108,895</u>	<u>\$ 653,408</u>	<u>\$ 1,762,303</u>	<u>\$ 10,345,515</u>

The accompanying notes are an integral part of these financial statements.

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,240,904	\$ (1,668,779)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Unrealized (gain) loss	(340,344)	138,636
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions and license revenue receivable	(775,589)	(118,793)
Prepaid expenses and other assets	(23,750)	26,331
Due from City of New York/Parks and Recreation	(96,973)	-
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(616,792)	734,691
Deferred events revenue	(8,158)	15,656
Due to City of New York/Parks and Recreation	(40,174)	-
	<u>(660,876)</u>	<u>(872,258)</u>
Net Cash Used in Operating Activities		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	<u>(24,378)</u>	<u>(45,424)</u>
Net Cash Used in Investing Activities	<u>(24,378)</u>	<u>(45,424)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(685,254)	(917,682)
Cash and cash equivalents - beginning of year	<u>6,323,421</u>	<u>7,241,103</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,638,167</u>	<u>\$ 6,323,421</u>

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

The Randall's Island Park Alliance, Inc. (the "Alliance") is a not-for-profit public/private partnership with the City of New York/Parks & Recreation ("Parks Department") and is a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code and similar state and local level taxes. The Alliance's mission is to provide an innovative and exciting destination through a wide range of sports venues, cultural events and environmental exploration. As the dedicated steward of Randall's Island Park, the Alliance sustains, maintains, develops and programs the Park to support the wellbeing of all New Yorkers. The Alliance was founded in 1992 as part of the City Parks Foundation and incorporated on January 24, 1994, under Section 402 of the Not-for-Profit Corporation Law of the State of New York.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting*** – The Alliance's financial statements have been prepared on the accrual basis of accounting. The Alliance adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. ***Basis of Net Asset Presentation*** – The Alliance maintains its net assets under the following classes:
- a. Without donor restrictions – includes net assets that are not restricted by donor-imposed stipulations.
 - b. With donor restrictions – includes gifts of cash and other assets received with donor stipulations that limit the use of donated assets. When a donor restriction expires or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the gift is received, the Alliance reports the support as net assets without donor restrictions.
- C. ***Cash and Cash Equivalents*** – The Alliance considers all highly liquid instruments with maturities of three months or less when acquired to be cash equivalents.
- D. ***Investments and Investment Income*** – Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 6 for a discussion of fair value measurements.
- E. ***Allowance for Uncollectible Receivables*** – The Alliance determines whether an allowance for uncollectible receivables should be provided for contributions and license revenue receivable. Such estimates are based on management's assessment of the aged basis of the receivable, current economic conditions and historical information. As of December 31, 2019 and 2018, the Alliance determined that no allowance was necessary.
- F. ***In-kind Contributions*** – In-kind contributions are reflected as contributions at their fair value at the date of donation and are reported as increases in net assets without donor restrictions unless explicit donor stipulations specify how donated assets must be used. The Alliance recognizes the fair values of contributed services received if such services create or enhance long-lived assets, or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The amounts reflected in the accompanying financial statements as contributions in-kind are offset by like amounts included in expenses.
- G. ***Functional Allocation of Expenses*** – The costs of providing the various program services and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited. Allocated expenses include salaries and payroll taxes and employee benefits, which are allocated based on an estimate of time and effort.
- H. ***Use of Estimates*** – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results could differ from those estimates.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- I. ***Deferred Events Revenue*** – The Alliance receives cash in advance of special events that are to be held after the statement of financial position date. It is the Alliance's policy to refund all cash received in advance of special events for the exchange portion if the event is subsequently cancelled. Cash received in excess of revenue recognized is recorded as deferred event revenue.
- J. ***Special Events Revenue*** – The Alliance conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. These costs are netted against special events revenue.
- K. ***Contributions*** – Cash contributions and unconditional promises to give are recorded as revenue when received. Conditional promises to give are recognized when they become unconditional, that is, when the conditions are substantially met.
- L. ***Program Revenues and Expenses*** – The Alliance program fees in accordance with ASC Topic 606. Program revenues includes fees paid by individuals, corporations, or foundations for their use of the Alliance's venue for sports, cultural and environmental exploration events, as described in Note 1. Program expenses are costs relating to the projects and maintenance and improvement of the parkland., Program revenues and expenses are recognized in the calendar year in which they are earned or incurred.
- M. ***Reclassification*** – Certain line items in the December 31, 2018 financial statements have been reclassified to conform to the December 31, 2019 presentation. These changes had no impact on the change in net assets for the year ended December 31, 2018.
- N. ***Recent Accounting Pronouncements*** – During the year ended December 31, 2019, the Alliance adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* and ASU 2018-08, *Contributions Received and Contributions Made*. ASU 2014-09 requires the Alliance to recognize revenue to depict the provisions of services in amounts that reflect the consideration to which the Alliance expects to be entitled in exchange for those services. ASU 2018-08 provides guidance to assist the Alliance in accounting for contributions. The Alliance considers whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and a right of return of assets transferred or a right of release of a resource provider's obligation to transfer assets. ASU 2014-09 and ASU 2018-08 were adopted retrospectively and had no impact on the change in net assets for the year ended December 31, 2019 and 2018.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

The Alliance regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Alliance has various sources of liquidity at its disposal, including cash and cash equivalents, contributions and license revenue receivable and investments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Alliance considers all expenditures related to its ongoing program activities as well as the management and administration services that support those activities to be general expenditures.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within 12 months from December 31, 2019, comprise the following:

Cash and cash equivalents	\$ 5,638,167
Contributions and license revenue receivable	1,078,110
Investments	3,284,588
Due from City of New York/Parks and Recreation	<u>96,973</u>
Total financial assets	10,097,838
Less: Receivables scheduled to be collected in more than one year	(225,000)
Board designations:	
Board designated reserve fund	<u>(3,213,076)</u>
Financial assets available to meet cash needs for general expenditures within one year:	<u>\$ 6,659,762</u>

NOTE 4 – CONTRIBUTIONS AND LICENSE REVENUE RECEIVABLE

Contributions and license revenue receivables are scheduled to be received as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Amount due in less than one year	\$ 853,110	\$ 252,521
Amount due in more than one year	<u>225,000</u>	<u>50,000</u>
	<u>\$ 1,078,110</u>	<u>\$ 302,521</u>

The Alliance does not discount to present value any receivables due in more than one year, unless material.

NOTE 5 – INVESTMENTS

The components of the Alliance's investments are as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Fixed income fund	\$ 2,185,669	\$ 1,992,692
Global multi-asset fund	<u>1,098,919</u>	<u>927,174</u>
	<u>\$ 3,284,588</u>	<u>\$ 2,919,866</u>

Investments are subject to market volatility, which could substantially change the carrying value in the near term.

Investment activity consisted of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 58,374	\$ 69,484
Unrealized gain (loss)	340,344	(138,636)
Investment advisory fees	<u>(6,508)</u>	<u>(5,880)</u>
	<u>\$ 392,210</u>	<u>\$ (75,032)</u>

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 – FAIR VALUE MEASUREMENTS

In determining fair value, the Alliance utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, to the extent possible in its assessment of fair value. The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Alliance is invested in two funds. The objective of the fixed income fund is to provide total return, consisting of both current income and capital appreciation. The objective of the global multi-asset fund is to provide long-term total return at a reasonable risk tolerance level. These funds are valued using the net asset value per share practical expedient, and, accordingly, are not classified in the fair value hierarchy as defined above.

Fair Value of Investments in Entities that Use Net Asset Value

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient:

	<u>Fair Value – December 31, 2019</u>	<u>Fair Value – December 31, 2018</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Global multi-asset fund	\$ 1,098,919	\$ 927,174	\$ -	Monthly	15 days
Fixed income fund	<u>2,185,669</u>	<u>1,992,692</u>	<u>-</u>	Daily	Daily
	<u>\$ 3,284,588</u>	<u>\$ 2,919,866</u>	<u>\$ -</u>		

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Alliance evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2019 and 2018, there were no transfers.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 7 – BOARD DESIGNATED RESERVE FUND

The Alliance's Board has established a reserve fund which will be used to build capacity for fields maintenance and for future capital projects. The reserve fund is included in net assets without donor restrictions and held in cash and cash equivalents. As of December 31, 2019 and 2018, the reserve fund amounted to \$3,213,076 and \$3,974,565, respectively.

NOTE 8 – LICENSE REVENUE

The Alliance has a License Agreement ("License") with the Parks Department. The License provides for the Alliance to directly receive revenues from park events, or services it provides, which are used to offset expenses incurred by the Alliance for the operations of Randall's Island Park. Operations include maintenance and improvement of parkland as well as park programs. The License expires on December 24, 2022.

NOTE 9 – CITY OF NEW YORK/PARKS AND RECREATION

The Alliance pays the Parks Department for the use of Parks Department personnel and services. During both of the years ended December 31, 2019 and 2018, payments to the Parks Department amounted to \$420,000, which is reported in the accompanying statements of functional expenses as salaries, payroll taxes and employment benefits, management, general and operating expenses, and park maintenance, supplies and equipment. In addition, during the year ended December 31, 2019, the Alliance received a credit from the Parks Department of \$262,359. As of December 31, 2019, the Alliance had a balance of \$96,973 due from the Parks Department compared to a balance due to the Parks Department of \$40,174 as of December 31, 2018. Such amounts are reflected as accounts payable and accrued expenses and prepaid expenses on the accompanying statements of financial position.

NOTE 10 – IN-KIND SUPPORT AND CONTRIBUTED SERVICES

The Parks Department allows the Alliance to use some of its space located at 24 West 61st Street, New York, NY. No rent is paid by the Alliance. The Alliance has estimated the rental value based on average asking rents near their location. In addition, the Parks Department allows the Alliance to use its phones and computer equipment, and provides the Alliance with some office supplies. The value of in-kind contributions for the years ended December 31, 2019 and 2018, amounted to \$105,571 and \$128,836, respectively. These amounts are included in the accompanying statements of activities as in-kind support and are offset by like amounts included in expenses.

A substantial number of volunteers have donated significant amounts of their time to the Alliance for various projects. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under U.S. GAAP have not been satisfied.

NOTE 11 – CAPITAL IMPROVEMENTS

Capital improvements, title to which rests with the City of New York, developed through public funding secured by the Alliance are ongoing, and include Waterfront Pathways, Environmental Restoration, Seawall Reconstruction, Infrastructure and Access Improvements, and Sports Fields Development.

NOTE 12 – CONTINGENCIES

The Alliance believes it has no uncertain tax positions as of December 31, 2019 and 2018, in accordance with Accounting Standards Codification ("ASC") Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 13 – 403(B) SAVINGS PLAN

The Alliance maintains a 403(b) savings plan (the "Plan"). Participation in the savings part of the Plan is voluntary. Participants are eligible to contribute salary reductions on their first day of employment. Participants are eligible for employer contributions upon completion of one year of service and attainment of age 21. Employer contributions are discretionary and are shared pro-rata among eligible participants for the year. Employer contributions for the years ended December 31, 2019 and 2018, amounted to \$50,381 and \$50,507, respectively.

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NOTE 14 – CONCENTRATION OF CREDIT RISK

Cash and cash equivalents that potentially subject the Alliance to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation (“FDIC”) insurance limits. FDIC participating banks insure up to \$250,000 per depositor. As of December 31, 2019 and 2018, there was approximately \$5,438,000 and \$5,196,000, respectively, of cash and cash equivalents held by two different banks that exceeded FDIC limits. Such excess includes outstanding checks. As of December 31, 2019 and 2018, there was approximately \$1,045,000 and \$522,000, respectively, of cash equivalents held by banks that exceeded the amount covered by Securities Investor Protection Corporation limits.

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

	<u>2019</u>	<u>2018</u>
Time restrictions	<u>\$ 400,630</u>	<u>\$ 168,324</u>

Net assets released from restrictions during the years ended December 31, 2019 and 2018, amounted to \$153,244 and \$269,577, respectively.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through May 21, 2020, the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic, which continues to spread throughout the United States. The Alliance could be materially and adversely affected by the risks, or the public perception of the risks, related to an epidemic, pandemic, outbreak, or other public health crisis, such as the recent outbreak of COVID-19. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on our mission, programs, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. Accordingly, we cannot predict the extent to which our financial condition and results of operations will be affected.

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Stability Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration sector of the government. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity’s average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made; or (b) \$10 million. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the eight week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the Alliance’s employees. The Alliance applied for this loan through an SBA authorized lender. As of May 1, 2020, the loan has been approved in the amount of \$895,130 and has been received by the Alliance.