



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

For the Years Ended December 31, 2020 and 2019

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, 2020 AND 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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
April 30, 2021

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Cash and cash equivalents (Notes 2C and 15)	\$ 7,436,813	\$ 5,638,167
Contributions and license revenue receivable, net (Notes 2E and 4)	795,645	1,078,110
Investments (Notes 2D, 5 and 6)	3,519,839	3,284,588
Prepaid expenses and other assets	180,168	214,142
Due from the City of New York/Parks and Recreation (Note 9)	-	96,973
TOTAL ASSETS	\$ 11,932,465	\$ 10,311,980
LIABILITIES		
Accounts payable and accrued expenses	\$ 315,914	\$ 295,381
Due to the City of New York/Parks and Recreation (Note 9)	398,511	-
Deferred events revenue (Note 2I)	53,035	20,426
Paycheck Protection Program loan payable (Note 13)	895,130	-
TOTAL LIABILITIES	1,662,590	315,807
CONTINGENCIES (Note 12)		
NET ASSETS (Note 2B)		
Without donor restrictions:		
Operating	6,027,173	6,382,467
Board designated reserve fund (Note 7)	3,965,182	3,213,076
Total without donor restrictions	9,992,355	9,595,543
With donor restrictions (Note 16)	277,520	400,630
TOTAL NET ASSETS	10,269,875	9,996,173
TOTAL LIABILITIES AND NET ASSETS	\$ 11,932,465	\$ 10,311,980

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, 2020 AND 2019

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total 2020	Without Donor Restrictions	With Donor Restrictions	Total 2019
REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT:						
Special events revenue (Note 2J)	\$ -	\$ -	\$ -	\$ 1,270,866	\$ -	\$ 1,270,866
Less: cost of direct benefit to donors	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,461)</u>	<u>-</u>	<u>(238,461)</u>
Net revenues from special events	-	-	-	1,032,405	-	1,032,405
Grants and contributions (Notes 2B and 2K)	4,067,327	47,600	4,114,927	2,774,994	385,550	3,160,544
In-kind support (Notes 2F and 10)	87,532	-	87,532	105,571	-	105,571
License revenue (Notes 2L and 8)	2,042,420	-	2,042,420	4,760,791	-	4,760,791
Investment activity (Note 5)	264,407	-	264,407	392,210	-	392,210
Net assets released from restrictions (Note 16)	<u>170,710</u>	<u>(170,710)</u>	<u>-</u>	<u>153,244</u>	<u>(153,244)</u>	<u>-</u>
TOTAL REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT	<u>6,632,396</u>	<u>(123,110)</u>	<u>6,509,286</u>	<u>9,219,215</u>	<u>232,306</u>	<u>9,451,521</u>
EXPENSES (Note 2G):						
Program Services:						
Capital projects	434,087	-	434,087	960,073	-	960,073
Icahn stadium	706,139	-	706,139	817,430	-	817,430
Maintenance and improvement of Parkland	2,483,147	-	2,483,147	2,842,083	-	2,842,083
Other program expenses	694,500	-	694,500	1,823,105	-	1,823,105
Total program services	<u>4,317,873</u>	<u>-</u>	<u>4,317,873</u>	<u>6,442,691</u>	<u>-</u>	<u>6,442,691</u>
Supporting Services:						
Management and general	1,209,977	-	1,209,977	1,191,749	-	1,191,749
Fundraising	707,734	-	707,734	576,177	-	576,177
Total supporting services	<u>1,917,711</u>	<u>-</u>	<u>1,917,711</u>	<u>1,767,926</u>	<u>-</u>	<u>1,767,926</u>
TOTAL EXPENSES	<u>6,235,584</u>	<u>-</u>	<u>6,235,584</u>	<u>8,210,617</u>	<u>-</u>	<u>8,210,617</u>
CHANGE IN NET ASSETS	396,812	(123,110)	273,702	1,008,598	232,306	1,240,904
Net assets - beginning 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>
NET ASSETS - END OF YEAR	<u>\$ 9,992,355</u>	<u>\$ 277,520</u>	<u>\$ 10,269,875</u>	<u>\$ 9,595,543</u>	<u>\$ 400,630</u>	<u>\$ 9,996,173</u>

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Comparative Totals For December 31, 2019)

	Program Services					Supporting Services				Total 2020	Total 2019
	Capital Projects	Icahn Stadium	Maintenance and Improvement of Parkland	Other Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services			
Salaries (Note 9)	\$ 143,621	\$ 353,124	\$ 1,383,941	\$ 476,293	\$ 2,356,979	\$ 577,789	\$ 306,402	\$ 884,191	\$ 3,241,170	\$ 3,794,245	
Payroll taxes and employee benefits (Notes 9 and 14)	34,770	145,225	308,604	122,800	611,399	141,573	72,994	214,567	825,966	879,349	
Total salaries and related costs	178,391	498,349	1,692,545	599,093	2,968,378	719,362	379,396	1,098,758	4,067,136	4,673,594	
Salaries and fringe - grant funded Park positions	-	-	346,179	-	346,179	-	-	-	346,179	432,363	
Contracted services and professional fees	255,696	76,826	86,332	28,894	447,748	83,117	29,074	112,191	559,939	1,227,511	
Office expenses (Note 9)	-	555	40,414	24,613	65,582	338,853	-	338,853	404,435	493,950	
Park maintenance, supplies and equipment (Note 9)	-	130,409	317,677	21,816	469,902	21,883	21,883	43,766	513,668	1,038,069	
Event and general fundraising expenses	-	-	-	-	-	-	277,381	277,381	277,381	365,915	
Outreach and community events	-	-	-	20,084	20,084	-	-	-	20,084	111,598	
Marketing and communications	-	-	-	-	-	22,250	-	22,250	22,250	106,078	
Bad debt expense	-	-	-	-	-	24,512	-	24,512	24,512	-	
	434,087	706,139	2,483,147	694,500	4,317,873	1,209,977	707,734	1,917,711	6,235,584	8,449,078	
Less: cost of direct benefit to donors	-	-	-	-	-	-	-	-	-	(238,461)	
TOTAL EXPENSES	\$ 434,087	\$ 706,139	\$ 2,483,147	\$ 694,500	\$ 4,317,873	\$ 1,209,977	\$ 707,734	\$ 1,917,711	\$ 6,235,584	\$ 8,210,617	

**RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	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
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
Payroll taxes and employee benefits (Notes 9 and 14)	23,792	120,173	255,368	295,363	694,696	118,253	66,400	184,653	879,349
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
Salaries and fringe - grant funded Park positions	-	-	432,363	-	432,363	-	-	-	432,363
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
Office expenses (Note 9)	-	2,223	54,255	39,023	95,501	376,040	22,409	398,449	493,950
Park maintenance, supplies and equipment (Note 9)	-	112,766	845,795	63,575	1,022,136	-	15,933	15,933	1,038,069
Event and general fundraising expenses	-	-	-	-	-	-	365,915	365,915	365,915
Outreach and community events	-	-	-	111,598	111,598	-	-	-	111,598
Marketing and communications	-	-	-	-	-	106,078	-	106,078	106,078
	<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>
Less: expenses netted against revenue	-	-	-	-	-	-	(238,461)	(238,461)	(238,461)
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

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 273,702	\$ 1,240,904
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized/Unrealized gain	(261,896)	(340,344)
Bad debt expense	24,512	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions and license revenue receivable	257,953	(775,589)
Prepaid expenses and other assets	33,974	(23,750)
Due from City of New York/Parks and Recreation	96,973	(96,973)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	20,533	(616,792)
Deferred events revenue	32,609	(8,158)
Due to City of New York/Parks and Recreation	398,511	(40,174)
Net Cash Provided by (Used in) Operating Activities	876,871	(660,876)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	1,092,418	-
Purchase of investments	(1,065,773)	(24,378)
Net Cash Provided by (Used in) Investing Activities	26,645	(24,378)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Paycheck Protection Program loan payable	895,130	-
Net Cash Provided by Financing Activities	895,130	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,798,646	(685,254)
Cash and cash equivalents - beginning of year	5,638,167	6,323,421
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,436,813	\$ 5,638,167

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, the Alliance determined an allowance of \$24,512 and \$0 was necessary, respectively.
- 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, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- I. ***Deferred 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. In addition, the Alliance receives payments from schools in advance for track meets and practices. 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. ***Grants and Contributions*** – Grants and contributions are nonexchange transactions and accounted for under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 958). Contributions are recognized as revenue when barriers within the contract are overcome, and there is no right of return/ release from obligation.

As of December 31, 2020 and 2019, the Alliance received conditional grants and contracts from government agencies in the aggregate amounts of approximately \$600,000 and \$0, respectively. Such grants have not been recognized in the accompanying financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their budgets and agreements. If such services are not provided, the governmental entities are not obligated to disburse the funds allotted under the grants and contracts and the Alliance may be required to return the funds already remitted.

- L. ***Program Revenues and Expenses*** – The Alliance's program fees are accounted for in accordance with FASB Accounting Standards Codification ("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.

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, 2020 AND 2019

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES (Continued)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within 12 months from December 31, 2020 and 2019, comprise the following:

	2020	2019
Cash and cash equivalents	\$ 7,436,813	\$ 5,638,167
Contributions and license revenue receivable, net	795,645	1,078,110
Investments	3,519,839	3,284,588
Due from the City of New York/Parks and Recreation	-	96,973
	11,752,297	10,097,838
Less:		
Board designated reserve fund	(3,965,182)	(3,213,076)
Net assets with donor restrictions	(277,520)	(400,630)
	\$ 7,509,595	\$ 6,484,132

NOTE 4 – CONTRIBUTIONS AND LICENSE REVENUE RECEIVABLE, NET

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

	2020	2019
Amount due in less than one year	\$ 670,157	\$ 853,110
Amount due in more than one year	150,000	225,000
Allowance for doubtful accounts	(24,512)	-
	\$ 795,645	\$ 1,078,110

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

NOTE 5 – INVESTMENTS

The Alliance's investments consist of the following as of December 31, 2020:

Mutual funds \$ 3,519,839

The components of the Alliance's investments are as follows as of December 31, 2019:

Fixed income fund	\$ 2,185,669
Global multi-asset fund	1,098,919
	\$ 3,284,588

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

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 – INVESTMENTS (Continued)

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

	2020	2019
Interest and dividends	\$ 12,255	\$ 58,374
Realized/Unrealized gain	261,896	340,344
Investment advisory fees	(9,744)	(6,508)
	\$ 264,407	\$ 392,210

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.

Mutual funds are valued using publicly available market values in actively traded markets (Level 1).

In 2019, the Alliance invested in two funds. The objective of the fixed income fund was 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 were valued using the net asset value per share practical expedient, and, accordingly, are not classified in the fair value hierarchy as defined above.

Assets carried at fair value consisted of the following as of December 31, 2020:

	Level 1
ASSETS CARRIED AT FAIR VALUE	
Investments:	
Mutual funds	\$ 3,519,839

**RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019**

NOTE 6 – FAIR VALUE MEASUREMENTS (Continued)

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, 2020</u>	<u>Fair Value – December 31, 2019</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Global multi-asset fund	\$ -	\$ 1,098,919	\$ -	Monthly	15 days
Fixed income fund	-	2,185,669	-	Daily	Daily
	<u>\$ -</u>	<u>\$ 3,284,588</u>	<u>\$ -</u>		

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, 2020 and 2019, the reserve fund amounted to \$3,965,182 and \$3,213,076, 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 – THE CITY OF NEW YORK/PARKS AND RECREATION

The Alliance pays the Parks Department for the use of Parks Department personnel and services. During the year ended December 31, 2019, payment to the Parks Department amounted to \$420,000, which is reported in the accompanying statements of functional expenses as salaries, payroll taxes and employee 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, 2020, the Alliance had a balance of \$398,511 due to the Parks Department compared to a balance due from the Parks Department of \$96,973 as of December 31, 2019.

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, 2020 and 2019, amounted to \$87,532 and \$105,571, 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 efforts 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.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 12 – CONTINGENCIES

- A. The Alliance believes it has no uncertain tax positions as of December 31, 2020 and 2019, in accordance with FASB ASC Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Alliance's operations and financial results will depend on future developments, including the duration and spread of the outbreak. Due to the rapidly changing business environment, unprecedented market volatility, and other circumstances resulting from the COVID-19 pandemic, the Alliance is currently unable to fully determine the extent of COVID-19's impact on its operations in future periods. Management continues to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results of operations.

NOTE 13 – PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On May 1, 2020, the Alliance received loan proceeds in the amount of \$895,130 under the Paycheck Protection Program ("PPP"), established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) if the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%. The Alliance used the loan proceeds for purposes consistent with the PPP and has opted to account for the proceeds as a loan under FASB ASC Topic 470 until the loan is, in part or wholly, forgiven, and the Alliance has been legally released.

On March 15, 2021, the Alliance was approved for a second-draw PPP loan amounting to \$895,130. The terms and conditions of the second-draw loan are the same as in the first loan.

NOTE 14 – 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 matching contributions and employer discretionary contributions upon completion of one year of service and attainment of age 21. Employer matching contributions are non-discretionary and are based on elected salary deferrals of eligible participants for the year. Employer discretionary contributions are allowed and are unrelated with how much an employee's elected salary deferrals total for the year. Employer matching contributions for the years ended December 31, 2020 and 2019, amounted to \$43,305 and \$50,381, respectively. Employer discretionary contributions for the years ended December 31, 2020 and 2019, amounted to \$4,084 and \$0, respectively.

NOTE 15 – 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 financial institution. As of December 31, 2020 and 2019, there was approximately \$5,386,000 and \$5,438,000, respectively, of cash and cash equivalents held by two different banks that exceeded FDIC limits. Such excess includes outstanding checks. As of December 31, 2020 and 2019, there was approximately \$1,051,000 and \$1,045,000, respectively, of cash equivalents held by banks that exceeded the amount covered by Securities Investor Protection Corporation limits.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Time restrictions	<u>\$ 277,520</u>	<u>\$ 400,630</u>

Net assets released from restrictions during the years ended December 31, 2020 and 2019, amounted to \$170,710 and \$153,244, respectively.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through April 30, 2021, the date the financial statements were available to be issued.