



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

For the Years Ended December 31, 2021 and 2020

RANDALL'S ISLAND PARK ALLIANCE, INC.

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

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Randall's Island Park Alliance, Inc. (the "Alliance") which, comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Alliance as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Alliance and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2020 Financial Statements

The financial statements of the Alliance as of and for the year ended December 31, 2020 were audited by another auditor whose report dated April 30, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mayer Hoffman McCann CPAs

New York, NY
May 2, 2022

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2C and 15)	\$ 6,479,230	\$ 7,436,813
Contributions and other receivables, net (Notes 2E and 4)	1,182,558	795,645
Investments (Notes 2D, 5 and 6)	5,291,783	3,519,839
Prepaid expenses and other assets	163,379	180,168
Due from the City of New York/Parks and Recreation (Note 9)	97,975	-
TOTAL ASSETS	\$ 13,214,925	\$ 11,932,465
LIABILITIES		
Accounts payable and accrued expenses	\$ 401,571	\$ 315,914
Due to the City of New York/Parks and Recreation (Note 9)	-	398,511
Deferred events revenue (Note 2I)	37,085	53,035
Paycheck Protection Program loan payable (Note 13)	-	895,130
TOTAL LIABILITIES	438,656	1,662,590
CONTINGENCIES (Note 12)		
NET ASSETS (Note 2B)		
Without donor restrictions:		
Operating	6,876,117	6,027,173
Board designated reserve fund (Note 7)	5,387,382	3,965,182
Total without donor restrictions	12,263,499	9,992,355
With donor restrictions (Note 16)	512,770	277,520
TOTAL NET ASSETS	12,776,269	10,269,875
TOTAL LIABILITIES AND NET ASSETS	\$ 13,214,925	\$ 11,932,465

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, 2021 AND 2020

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2020
REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT:						
Grants and contributions (Notes 2B and 2K)	\$ 4,340,804	\$ 373,850	\$ 4,714,654	\$ 4,067,327	\$ 47,600	\$ 4,114,927
In-kind support (Notes 2F and 10)	84,309	-	84,309	87,532	-	87,532
License revenue (Notes 2L and 8)	2,812,108	-	2,812,108	2,042,420	-	2,042,420
Investment activity (Note 5)	176,820	-	176,820	264,407	-	264,407
Forgiveness of Paycheck Protection Program loan (Note 13)	1,790,260	-	1,790,260	-	-	-
Miscellaneous revenue	4,612	-	4,612	-	-	-
Net assets released from restrictions (Note 16)	138,600	(138,600)	-	170,710	(170,710)	-
TOTAL REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT	9,347,513	235,250	9,582,763	6,632,396	(123,110)	6,509,286
EXPENSES (Note 2G):						
Program Services:						
Capital projects	814,618	-	814,618	434,087	-	434,087
Icahn stadium	810,600	-	810,600	706,139	-	706,139
Maintenance and improvement of Parkland	2,432,315	-	2,432,315	2,483,147	-	2,483,147
Other program expenses	1,196,875	-	1,196,875	694,500	-	694,500
Total program services	5,254,408	-	5,254,408	4,317,873	-	4,317,873
Supporting Services:						
Management and general	1,373,129	-	1,373,129	1,209,977	-	1,209,977
Fundraising	448,832	-	448,832	707,734	-	707,734
Total supporting services	1,821,961	-	1,821,961	1,917,711	-	1,917,711
TOTAL EXPENSES	7,076,369	-	7,076,369	6,235,584	-	6,235,584
CHANGE IN NET ASSETS	2,271,144	235,250	2,506,394	396,812	(123,110)	273,702
Net assets - beginning of year	9,992,355	277,520	10,269,875	9,595,543	400,630	9,996,173
NET ASSETS - END OF YEAR	\$ 12,263,499	\$ 512,770	\$ 12,776,269	\$ 9,992,355	\$ 277,520	\$ 10,269,875

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(With Comparative Totals For December 31, 2020)

For the Year Ended December 31, 2021

	Program Services					Supporting Services			Total 2021	Total 2020
	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)	\$ 154,027	\$ 435,287	\$ 1,196,748	\$ 848,999	\$ 2,635,061	\$ 603,239	\$ 281,627	\$ 884,866	\$ 3,519,927	\$ 3,241,170
Payroll taxes and employee benefits (Notes 9 and 14)	36,334	123,194	261,788	200,271	621,587	142,298	66,433	208,731	830,318	825,966
Total salaries and related costs	190,361	558,481	1,458,536	1,049,270	3,256,648	745,537	348,060	1,093,597	4,350,245	4,067,136
Salaries and fringe - grant funded Park positions	-	-	295,033	-	295,033	-	-	-	295,033	346,179
Contracted services and professional fees	598,352	122,227	113,275	36,178	870,032	155,072	12,430	167,502	1,037,534	559,939
Office expenses (Note 9)	-	18,747	26,368	7,122	52,237	369,753	11,068	380,821	433,058	404,435
Park maintenance, supplies and equipment (Note 9)	25,905	111,145	539,103	67,005	743,158	-	-	-	743,158	513,668
Event costs	-	-	-	-	-	-	77,274	77,274	77,274	277,381
Outreach and community events	-	-	-	36,345	36,345	-	-	-	36,345	20,084
Marketing and communications	-	-	-	955	955	57,258	-	57,258	58,213	22,250
Bad debt expense	-	-	-	-	-	45,509	-	45,509	45,509	24,512
TOTAL EXPENSES	\$ 814,618	\$ 810,600	\$ 2,432,315	\$ 1,196,875	\$ 5,254,408	\$ 1,373,129	\$ 448,832	\$ 1,821,961	\$ 7,076,369	\$ 6,235,584

**RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services				Supporting Services				Total 2020
	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
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
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
Salaries and fringe - grant funded Park positions	-	-	346,179	-	346,179	-	-	-	346,179
Contracted services and professional fees	255,696	76,826	86,332	28,894	447,748	83,117	29,074	112,191	559,939
Office expenses (Note 9)	-	555	40,414	24,613	65,582	338,853	-	338,853	404,435
Park maintenance, supplies and equipment (Note 9)	-	130,409	317,677	21,816	469,902	21,883	21,883	43,766	513,668
Event and general fundraising expenses	-	-	-	-	-	-	277,381	277,381	277,381
Outreach and community events	-	-	-	20,084	20,084	-	-	-	20,084
Marketing and communications	-	-	-	-	-	22,250	-	22,250	22,250
Bad debt expense	-	-	-	-	-	24,512	-	24,512	24,512
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

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, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,506,394	\$ 273,702
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Realized/unrealized gain	(122,749)	(261,896)
Bad debt expense	20,987	24,512
Forgiveness of Paycheck Protection Program loan payable	(1,790,260)	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions and license revenue receivable	(407,900)	257,953
Prepaid expenses and other assets	16,789	33,974
Due from the City of New York/Parks and Recreation	(97,975)	96,973
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	85,657	20,533
Deferred events revenue	(15,950)	32,609
Due to the City of New York/Parks and Recreation	(398,511)	398,511
Net Cash (Used In) Provided by Operating Activities	(203,518)	876,871
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	145,487	1,092,418
Purchase of investments	(1,794,682)	(1,065,773)
Net Cash (Used in) Provided by Investing Activities	(1,649,195)	26,645
CASH FLOWS FROM FINANCING ACTIVITIES:		
Paycheck Protection Program loan payable	895,130	895,130
Net Cash Provided by Financing Activities	895,130	895,130
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(957,583)	1,798,646
Cash and cash equivalents - beginning of year	7,436,813	5,638,167
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,479,230	\$ 7,436,813

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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 New York City Department of 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 statutes. 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 other receivables. 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, 2021 and 2020, the Alliance determined an allowance of \$49,024 and \$24,512, 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, 2021 AND 2020

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 events 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, 2021 and 2020, the Alliance had received conditional funding from a government agency in the amount of approximately \$600,000 which has not been recognized in the accompanying financial statements. This funding will be recognized as revenue 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 other receivables 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, 2021 AND 2020

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, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,479,230	\$ 7,436,813
Contributions and other receivables, net	1,182,558	795,645
Investments	5,291,783	3,519,839
Due from the City of New York/Parks and Recreation	<u>97,975</u>	<u>-</u>
Less:		
Board designated reserve fund	(5,387,382)	(3,965,182)
Net assets with donor restrictions	<u>(512,770)</u>	<u>(277,520)</u>
	<u>\$ 7,151,394</u>	<u>\$ 7,509,595</u>

NOTE 4 – CONTRIBUTIONS AND OTHER RECEIVABLES, NET

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

	<u>2021</u>	<u>2020</u>
Amount due in less than one year	\$ 1,017,083	\$ 670,157
Amount due in more than one year	214,499	150,000
Allowance for doubtful accounts	<u>(49,024)</u>	<u>(24,512)</u>
	<u>\$ 1,182,558</u>	<u>\$ 795,645</u>

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:

	<u>2021</u>	<u>2020</u>
Mutual funds	<u>\$ 5,291,783</u>	<u>\$ 3,519,839</u>

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, 2021 AND 2020**

NOTE 5 – INVESTMENTS (Continued)

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

	2021	2020
Interest and dividends	\$ 75,003	\$ 12,255
Realized/Unrealized gain	122,749	261,896
Investment advisory fees	(20,932)	(9,744)
	\$ 176,820	\$ 264,407

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).

Assets carried at fair value consisted of the following as of December 31, 2021:

	Level 1
ASSETS CARRIED AT FAIR VALUE	
Investments:	
Mutual funds	\$ 5,291,783

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, 2021 AND 2020

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 and mutual funds. As of December 31, 2021 and 2020, the reserve fund amounted to \$5,387,382 and \$3,965,182, 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, 2021, payment to the Parks Department amounted to \$726,586, 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, 2021, the Alliance received a credit from the Parks Department of \$79,062. As of December 31, 2021, the Alliance had a balance of \$97,975 due from the Parks Department compared to a balance due to the Parks Department of \$398,511 as of December 31, 2020.

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, 2021 and 2020, amounted to \$84,309 and \$87,532, 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.

NOTE 12 – CONTINGENCIES

- A. The Alliance believes it has no uncertain tax positions as of December 31, 2021 and 2020, 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.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 12 – CONTINGENCIES (Continued)

- C. During the year ended December 31, 2021, the Alliance recognized government revenue related to the Employee Retention Credit (“ERC”) established by the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. Laws and regulations related to the ERC and CARES Act are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Alliance’s claim to the ERC, and it is not possible to determine the impact (if any) this would have on the Alliance. The total amount of the ERC recognized during the year ended December 31, 2021, was \$632,274 and is included in contributions and other receivables on the accompanying statements of financial position as of December 31, 2021.

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 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. The Alliance submitted their application for loan forgiveness and on May 12, 2021, the Small Business Administration (“SBA”) fully forgave the loan.

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. The Alliance has submitted their application for loan forgiveness for the second PPP loan and on November 16, 2021, the SBA fully forgave the loan.

Loan forgiveness of \$1,790,260 was recognized as revenue during the year ended December 31, 2021.

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, 2021 and 2020, amounted to \$47,314 and \$47,759, respectively. Employer discretionary contributions for the years ended December 31, 2021 and 2020, amounted to \$4,214 and \$5,343, 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, 2021 and 2020, there was approximately \$5,979,230 and \$5,386,000, respectively, of cash and cash equivalents held by two different banks that exceeded FDIC limits. Such excess includes outstanding checks.

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>2021</u>	<u>2020</u>
Time restrictions	\$ 375,000	\$ 242,520
Purpose restrictions	<u>137,770</u>	<u>35,000</u>
	<u>\$ 512,770</u>	<u>\$ 277,520</u>

Net assets released from restrictions during the years ended December 31, 2021 and 2020, amounted to \$138,600 and \$170,710, 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 May 2, 2022, the date the financial statements were available to be issued.