



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

**For the Years Ended December 31, 2022 and 2021**

**RANDALL'S ISLAND PARK ALLIANCE, INC.**

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

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**CONTENTS**

	<b><u>Page</u></b>
Independent Auditors' Report .....	1-2
Statements of Financial Position .....	3
Statements of Activities .....	4
Statements of Functional Expenses .....	5-6
Statements of Cash Flows .....	7
Notes to Financial Statements .....	8-14



## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Randall's Island Park Alliance, Inc.  
New York, New York

### **Opinion**

We have audited the financial statements of Randall's Island Park Alliance, Inc. (the "Alliance"), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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, 2022 and 2021, 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.

### **Basis for Opinion**

We conducted our audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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.

### **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 judgment made by a reasonable user based on the financial statements.

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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 audits 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  
June 7, 2023

**RANDALL'S ISLAND PARK ALLIANCE, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash and cash equivalents (Notes 2C and 15)	\$ 4,787,978	\$ 6,479,230
Contributions and other receivables, net (Notes 2E, 4 and 12B)	1,947,938	1,182,558
Certificates of deposit (Note 2C)	3,250,000	-
Investments (Notes 2D, 5 and 6)	3,227,304	5,291,783
Prepaid expenses and other assets	195,380	163,379
Due from the City of New York/Parks and Recreation (Note 9)	119,435	97,975
<b>TOTAL ASSETS</b>	<b>\$ 13,528,035</b>	<b>\$ 13,214,925</b>
 <b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 444,175	\$ 401,571
Deferred events revenue (Note 2I)	219,060	37,085
<b>TOTAL LIABILITIES</b>	<b>663,235</b>	<b>438,656</b>
 <b>CONTINGENCIES</b> (Note 12)		
 <b>NET ASSETS</b> (Note 2B)		
Without donor restrictions:		
Operating	5,006,790	6,876,117
Board-designated reserve fund (Note 7)	5,583,083	5,387,382
Total without donor restrictions	10,589,873	12,263,499
With donor restrictions (Note 16)	2,274,927	512,770
<b>TOTAL NET ASSETS</b>	<b>12,864,800</b>	<b>12,776,269</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 13,528,035</b>	<b>\$ 13,214,925</b>

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, 2022 AND 2021**

	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021
<b>REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT:</b>						
Grants and contributions (Notes 2B and 2K)	\$ 3,293,572	\$ 2,027,986	\$ 5,321,558	\$ 4,340,804	\$ 373,850	\$ 4,714,654
In-kind support (Notes 2F and 10)	24,920	-	24,920	84,309	-	84,309
License revenue (Notes 2L and 8)	3,233,486	-	3,233,486	2,812,108	-	2,812,108
Investment activity (Note 5)	(547,874)	-	(547,874)	176,820	-	176,820
Forgiveness of Paycheck Protection Program loan (Note 13)	-	-	-	1,790,260	-	1,790,260
Miscellaneous revenue	17,588	-	17,588	4,612	-	4,612
Net assets released from restrictions (Note 16)	265,829	(265,829)	-	138,600	(138,600)	-
<b>TOTAL REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT</b>	<b>6,287,521</b>	<b>1,762,157</b>	<b>8,049,678</b>	<b>9,347,513</b>	<b>235,250</b>	<b>9,582,763</b>
<b>EXPENSES (Note 2G):</b>						
Program Services:						
Capital improvements	670,830	-	670,830	814,618	-	814,618
Icahn stadium	1,094,855	-	1,094,855	810,600	-	810,600
Maintenance and improvement of Parkland	2,981,665	-	2,981,665	2,432,315	-	2,432,315
Other program expenses	1,272,269	-	1,272,269	1,196,875	-	1,196,875
Total program services	6,019,619	-	6,019,619	5,254,408	-	5,254,408
Supporting Services:						
Management and general	1,304,755	-	1,304,755	1,373,129	-	1,373,129
Fundraising	636,773	-	636,773	448,832	-	448,832
Total supporting services	1,941,528	-	1,941,528	1,821,961	-	1,821,961
<b>TOTAL EXPENSES</b>	<b>7,961,147</b>	<b>-</b>	<b>7,961,147</b>	<b>7,076,369</b>	<b>-</b>	<b>7,076,369</b>
<b>CHANGE IN NET ASSETS</b>	<b>(1,673,626)</b>	<b>1,762,157</b>	<b>88,531</b>	<b>2,271,144</b>	<b>235,250</b>	<b>2,506,394</b>
<b>Net assets - beginning of year</b>	<b>12,263,499</b>	<b>512,770</b>	<b>12,776,269</b>	<b>9,992,355</b>	<b>277,520</b>	<b>10,269,875</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 10,589,873</b>	<b>\$ 2,274,927</b>	<b>\$ 12,864,800</b>	<b>\$ 12,263,499</b>	<b>\$ 512,770</b>	<b>\$ 12,776,269</b>

**RANDALL'S ISLAND PARK ALLIANCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(With Comparative Totals For December 31, 2021)

	<u>Program Services</u>					<u>Supporting Services</u>			<u>Total 2022</u>	<u>Total 2021</u>
	<u>Capital Improvements</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)	\$ 193,204	\$ 670,028	\$ 1,670,221	\$ 840,698	\$ 3,374,151	\$ 352,431	\$ 332,282	\$ 684,713	\$ 4,058,864	\$ 3,519,927
Payroll taxes and employee benefits (Notes 9 and 14)	<u>50,195</u>	<u>174,076</u>	<u>433,930</u>	<u>218,417</u>	<u>876,618</u>	<u>91,564</u>	<u>86,328</u>	<u>177,892</u>	<u>1,054,510</u>	<u>830,318</u>
<b>Total salaries and related costs</b>	243,399	844,104.00	2,104,151.00	1,059,115.00	4,250,769	443,995.00	418,610.00	862,605.00	5,113,374	4,350,245
Support for Parks Department activities	-	-	305,348	-	305,348	-	-	-	305,348	295,033
Professional and contracted services	152,884	74,866	33,150	87,932	348,832	428,881	3,050	431,931	780,763	530,474
Maintenance and repairs	-	140,374	497,193	29,557	667,124	16,115	-	16,115	683,239	414,209
Vehicles, equipment, facility and infrastructure improvement	274,547	-	-	-	274,547	-	-	-	274,547	836,009
Office and general expenses (Note 9)	-	28,009	41,134	21,636	90,779	316,451	36,295	352,746	443,525	433,058
Program materials and supplies	-	596	241	72,830	73,667	-	4,481	4,481	78,148	36,345
Marketing and communications	-	6,906	448	1,199	8,553	50,280	1,425	51,705	60,258	58,213
Fundraising events	-	-	-	-	-	-	172,912	172,912	172,912	77,274
Bad debt expense	-	-	-	-	-	<u>49,033</u>	-	<u>49,033</u>	<u>49,033</u>	<u>45,509</u>
<b>TOTAL EXPENSES</b>	<u>\$ 670,830</u>	<u>\$ 1,094,855</u>	<u>\$ 2,981,665</u>	<u>\$ 1,272,269</u>	<u>\$ 6,019,619</u>	<u>\$ 1,304,755</u>	<u>\$ 636,773</u>	<u>\$ 1,941,528</u>	<u>\$ 7,961,147</u>	<u>\$ 7,076,369</u>

**RANDALL'S ISLAND PARK ALLIANCE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services					Supporting Services				Total 2021
	Capital Improvements	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	
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	
<b>Total salaries and related costs</b>	190,361	558,481	1,458,536	1,049,270	3,256,648	745,537	348,060	1,093,597	4,350,245	
Support for Parks Department activities	-	-	295,033	-	295,033	-	-	-	295,033	
Professional and contracted services	229,905	80,883	72,134	25,874	408,796	109,248	12,430	121,678	530,474	
Maintenance and repairs	318,694	12,682	41,066	3,134	375,576	38,633	-	38,633	414,209	
Vehicles, equipment, facility and infrastructure improvement	75,658	139,807	539,178	74,175	828,818	7,191	-	7,191	836,009	
Office and general expenses (Note 9)	-	18,747	26,368	7,122	52,237	369,753	11,068	380,821	433,058	
Program materials and supplies	-	-	-	36,345	36,345	-	-	-	36,345	
Marketing and communications	-	-	-	955	955	57,258	-	57,258	58,213	
Fundraising events	-	-	-	-	-	-	77,274	77,274	77,274	
Bad debt expense	-	-	-	-	-	45,509	-	45,509	45,509	
<b>TOTAL EXPENSES</b>	<b>\$ 814,618</b>	<b>\$ 810,600</b>	<b>\$ 2,432,315</b>	<b>\$ 1,196,875</b>	<b>\$ 5,254,408</b>	<b>\$ 1,373,129</b>	<b>\$ 448,832</b>	<b>\$ 1,821,961</b>	<b>\$ 7,076,369</b>	

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, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 88,531	\$ 2,506,394
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized/unrealized loss (gain)	696,963	(122,749)
Bad debt expense	49,033	20,987
Forgiveness of Paycheck Protection Program loan payable	-	(1,790,260)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions and other receivable	(814,413)	(407,900)
Prepaid expenses and other assets	(32,001)	16,789
Due from the City of New York/Parks and Recreation	(21,460)	(97,975)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	42,604	85,657
Deferred events revenue	181,975	(15,950)
Due to the City of New York/Parks and Recreation	-	(398,511)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>191,232</b>	<b>(203,518)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	1,367,516	145,487
Purchase of investments	(3,250,000)	(1,794,682)
<b>Net Cash Used in Investing Activities</b>	<b>(1,882,484)</b>	<b>(1,649,195)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Paycheck Protection Program loan payable	-	895,130
<b>Net Cash Provided by Financing Activities</b>	<b>-</b>	<b>895,130</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,691,252)</b>	<b>(957,583)</b>
Cash and cash equivalents - beginning of year	6,479,230	7,436,813
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 4,787,978</b>	<b>\$ 6,479,230</b>

**RANDALL'S ISLAND PARK ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**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 was independently 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 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. Certificates of deposit with maturities of three months or greater when acquired are recorded at cost and are reported as certificates of deposit on the accompanying statements of financial position.
- 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, 2022 and 2021, the Alliance determined an allowance of \$0 and \$49,024, respectively, was necessary for contributions and other receivables.
- 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, 2022 AND 2021**

**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, 2022 and 2021, the Alliance had received conditional funding from government agencies in the amounts of approximately \$675,000 and \$600,000, respectively, 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. ***License Revenues*** – The Alliance's license revenues are accounted for in accordance with FASB Accounting Standards Codification ("ASC") Topic 606 and are recognized in the year in which they are earned. License revenues are fees charged to concessionaires and other entities using land and recreational facilities in Randall's Island Park to provide services or hold events, as provided for in the license agreement between the Parks Department and the Alliance (Note 8).
- M. ***Recent Accounting Pronouncements*** – FASB ASU 2020-07, Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets ("Gifts-in-Kind") was adopted by the Alliance for the year ended December 31, 2022. The core guidance in ASU 2020-07 is to increase transparency around contributed nonfinancial assets (also known as "gifts-in-kind") received by not-for-profit ("NFP") organizations, including transparency on how those assets are used and how they are valued. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for nonprofits. The amendment did not change existing recognition and measurement requirements for those assets. The adoption of ASU 2020-07 did not result in changes to the Alliance's financial statements except for updated disclosures.
- N. ***Reclassification*** – Certain line items in the December 31, 2021 financial statements were reclassified to conform to the December 31, 2022 presentation. These changes had no impact on the change in net assets for the year ended December 31, 2021.

**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, 2022 AND 2021**

**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, 2022 and 2021, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 4,787,978	\$ 6,479,230
Contributions and other receivables, net	1,947,938	1,182,558
Certificates of deposit	3,250,000	-
Investments	3,227,304	5,291,783
Due from the City of New York/Parks and Recreation	<u>119,435</u>	<u>97,975</u>
Less:		
Board designated reserve fund	(5,583,083)	(5,387,382)
Net assets with donor restrictions	<u>(2,274,927)</u>	<u>(512,770)</u>
	<u>\$ 5,474,645</u>	<u>\$ 7,151,394</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>2022</u>	<u>2021</u>
Amount due in less than one year	\$ 1,797,938	\$ 1,017,083
Amount due in more than one year	150,000	214,499
Allowance for doubtful accounts	<u>-</u>	<u>(49,024)</u>
	<u>\$ 1,947,938</u>	<u>\$ 1,182,558</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>2022</u>	<u>2021</u>
Mutual funds	\$ 3,227,304	\$ 5,291,783

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>2022</u>	<u>2021</u>
Interest and dividends	\$ 163,004	\$ 75,003
Realized/unrealized (loss) gain	(696,963)	122,749
Investment advisory fees	<u>(13,915)</u>	<u>(20,932)</u>
	<u>\$ (547,874)</u>	<u>\$ 176,820</u>

**RANDALL'S ISLAND PARK ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**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, 2022:

	<u>Level 1</u>
ASSETS CARRIED AT FAIR VALUE	
Investments:	
Mutual funds	\$ <u>3,227,304</u>

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

	<u>Level 1</u>
ASSETS CARRIED AT FAIR VALUE	
Investments:	
Mutual funds	\$ <u>5,291,783</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 and mutual funds. As of December 31, 2022 and 2021, the reserve fund amounted to \$5,583,083 and \$5,387,382, 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 23, 2027.

**RANDALL'S ISLAND PARK ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 9 – THE CITY OF NEW YORK/PARKS AND RECREATION**

The Alliance pays the Parks Department for the services of Parks Department personnel. During the year ended December 31, 2022, payment to the Parks Department amounted to \$326,808, which is reported in the accompanying statements of functional expenses as support for Parks Department activities and maintenance and improvement of parkland. The Alliance pays the Parks Department annually in advance for these services. As of December 31, 2022 and 2021, the Alliance had a balance of \$119,435 and \$97,975, respectively.

**NOTE 10 – IN-KIND SUPPORT AND CONTRIBUTED SERVICES**

In-kind support for the year ended December 31, 2022 is as follows:

<u>Nonfinancial Asset</u>	<u>2022</u>	<u>Used in Programs/Activities</u>	<u>Donor-imposed Restriction</u>	<u>Fair Value Technique</u>
Office space, vehicles, equipment, telephone and IT	\$ 24,920	Management and general	To be used for purposes pursuant to the license agreement with the Parks Department	Based on valuation provided by the Parks Department

In-kind support for the year ended December 31, 2021 is as follows:

<u>Nonfinancial Asset</u>	<u>2021</u>	<u>Used in Programs/Activities</u>	<u>Donor-imposed Restriction</u>	<u>Fair Value Technique</u>
Office space, vehicles, equipment, telephone and IT	\$ 76,089	Management and general	To be used for purposes pursuant to the license agreement with the Parks Department	Based on valuation provided by the Parks Department
Gardening materials	5,000	Other programs	Park horticultural	Based on current value of goods donated
Program supplies	<u>3,220</u>	Other programs	Cherry blossom festival	Based on current value of goods donated
	<u>\$ 84,309</u>			

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, are carried out with funds raised by the Alliance from the public and license revenues. Capital improvements include environmental restoration and preservation, improvement of park lands, facilities, and infrastructure, and purchase of vehicles and equipment for the maintenance of the park.

**RANDALL'S ISLAND PARK ALLIANCE, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 12 – CONTINGENCIES**

- A. The Alliance believes it has no uncertain tax positions as of December 31, 2022 and 2021, in accordance with FASB ASC Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. 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. As of both December 31, 2022 and 2021, \$492,775 is outstanding for the ERC and is included in contributions and other receivables on the accompanying statements of financial position. The outstanding ERC amount was subsequently collected in May 2023.

**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. The Alliance used the loan proceeds for purposes consistent with the PPP 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. On November 16, 2021, the SBA fully forgave the loan. The Alliance accounted for the proceeds as a loan under FASB ASC Topic 470, and accordingly 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, 2022 and 2021, amounted to \$49,820 and \$47,314, 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 depositor, per financial institution. As of December 31, 2022 and 2021, there was approximately \$4,484,000 and \$5,979,230, 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**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS**

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

	<u>2022</u>	<u>2021</u>
Time restrictions	\$ 300,000	\$ 375,000
Purpose restrictions	<u>1,974,927</u>	<u>137,770</u>
	<u>\$ 2,274,927</u>	<u>\$ 512,770</u>

Net assets released from restrictions during the years ended December 31, 2022 and 2021, amounted to \$265,829 and \$138,600, 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 June 7, 2023, the date the financial statements were available to be issued.