



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

For the Years Ended December 31, 2023 and 2022

RANDALL'S ISLAND PARK ALLIANCE, INC.

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

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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 10, 2024

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents (Notes 2C and 14)	\$ 6,196,308	\$ 4,787,978
Contributions and other receivables (Notes 2E and 4)	318,064	1,872,829
License receivables (Notes 2E and 2L)	2,627	61,767
Certificates of deposit (Note 2C)	3,131,459	3,250,000
Investments (Notes 2D, 5 and 6)	6,251,257	3,227,304
Prepaid expenses and other assets	312,644	208,722
Due from the City of New York/Parks and Recreation (Note 9)	<u>109,810</u>	<u>119,435</u>
TOTAL ASSETS	<u>\$ 16,322,169</u>	<u>\$ 13,528,035</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,819,553	\$ 444,175
Deferred events revenue (Note 2I and 2L)	<u>97,732</u>	<u>219,060</u>
TOTAL LIABILITIES	<u>1,917,285</u>	<u>663,235</u>
CONTINGENCIES (Note 12)		
NET ASSETS (Note 2B)		
Without donor restrictions:		
Operating	6,511,246	5,006,790
Board-designated reserve fund (Note 7)	<u>5,243,462</u>	<u>5,583,083</u>
Total without donor restrictions	11,754,708	10,589,873
With donor restrictions (Note 15)	<u>2,650,176</u>	<u>2,274,927</u>
TOTAL NET ASSETS	<u>14,404,884</u>	<u>12,864,800</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,322,169</u>	<u>\$ 13,528,035</u>

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, 2023 AND 2022

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2022
REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT:						
Grants and contributions (Notes 2B and 2K)	\$ 3,416,370	\$ 2,046,494	\$ 5,462,864	\$ 2,547,554	\$ 2,027,986	\$ 4,575,540
Special events, net of direct expenses of \$152,912 and \$0, respectively (Note 2J)	1,091,753	-	1,091,753	746,018	-	746,018
In-kind support (Notes 2F and 10)	10,637	-	10,637	24,920	-	24,920
License revenue (Notes 2L and 8)	5,135,248	-	5,135,248	3,233,486	-	3,233,486
Investment activity (Note 5)	292,859	-	292,859	(547,874)	-	(547,874)
Miscellaneous revenue	200,159	-	200,159	17,588	-	17,588
Net assets released from restrictions (Note 15)	1,671,245	(1,671,245)	-	265,829	(265,829)	-
TOTAL REVENUE, INVESTMENT ACTIVITY AND OTHER SUPPORT	11,818,271	375,249	12,193,520	6,287,521	1,762,157	8,049,678
EXPENSES (Note 2G):						
Program Services:						
Capital improvements	2,614,252	-	2,614,252	670,830	-	670,830
Icahn stadium	1,204,743	-	1,204,743	1,094,855	-	1,094,855
Maintenance and improvement of Parkland	3,345,826	-	3,345,826	2,981,665	-	2,981,665
Other program expenses	1,607,730	-	1,607,730	1,272,269	-	1,272,269
Total program services	8,772,551	-	8,772,551	6,019,619	-	6,019,619
Supporting Services:						
Management and general	988,257	-	988,257	1,304,755	-	1,304,755
Fundraising	892,628	-	892,628	636,773	-	636,773
Total supporting services	1,880,885	-	1,880,885	1,941,528	-	1,941,528
TOTAL EXPENSES	10,653,436	-	10,653,436	7,961,147	-	7,961,147
CHANGE IN NET ASSETS	1,164,835	375,249	1,540,084	(1,673,626)	1,762,157	88,531
Net assets - beginning of year	10,589,873	2,274,927	12,864,800	12,263,499	512,770	12,776,269
NET ASSETS - END OF YEAR	\$ 11,754,708	\$ 2,650,176	\$ 14,404,884	\$ 10,589,873	\$ 2,274,927	\$ 12,864,800

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

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(With Comparative Totals For December 31, 2022)

	Program Services					Supporting Services				
	Capital Improvements	Icahn Stadium	Maintenance and Improvement of Parkland	Other Program Expenses	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total 2023	Total 2022
Salaries	\$ 161,235	\$ 710,841	\$ 1,666,753	\$ 1,027,932	\$ 3,566,761	\$ 342,026	\$ 341,760	\$ 683,786	\$ 4,250,547	\$ 4,058,864
Payroll taxes and employee benefits (Note 13)	42,606	187,840	440,439	271,631	942,516	90,380	90,310	180,690	1,123,206	1,054,510
Total salaries and related costs	203,841	898,681	2,107,192	1,299,563	4,509,277	432,406	432,070	864,476	5,373,753	5,113,374
Support for Parks Department activities (Note 9)	-	-	407,593	-	407,593	-	-	-	407,593	305,348
Professional and contracted services	-	47,017	83,874	125,785	256,676	277,159	255,649	532,808	789,484	780,763
Maintenance and repairs	-	235,867	683,270	33,437	952,574	126	-	126	952,700	683,239
Vehicles, equipment, facility and infrastructure improvement (Note 11)	2,410,411	-	-	-	2,410,411	-	-	-	2,410,411	274,547
Office and general expenses (Note 9)	-	21,882	55,072	45,473	122,427	245,218	68,184	313,402	435,829	443,525
Program materials and supplies	-	-	2,379	93,553	95,932	86	46,374	46,460	142,392	78,148
Marketing and communications	-	1,296	6,446	9,919	17,661	23,119	24,753	47,872	65,533	60,258
Fundraising events	-	-	-	-	-	-	218,510	218,510	218,510	172,912
Bad debt expense	-	-	-	-	-	10,143	-	10,143	10,143	49,033
TOTAL EXPENSES	\$ 2,614,252	\$ 1,204,743	\$ 3,345,826	\$ 1,607,730	\$ 8,772,551	\$ 988,257	\$ 1,045,540	\$ 2,033,797	\$ 10,806,348	\$ 7,961,147
Less: Special event direct expenses (Note 2J)	-	-	-	-	-	-	(152,912)	(152,912)	(152,912)	-
	\$ 2,614,252	\$ 1,204,743	\$ 3,345,826	\$ 1,607,730	\$ 8,772,551	\$ 988,257	\$ 892,628	\$ 1,880,885	\$ 10,653,436	\$ 7,961,147

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

RANDALL'S ISLAND PARK ALLIANCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					Supporting Services			
	<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>	<u>Total 2022</u>
Salaries	\$ 193,204	\$ 670,028	\$ 1,670,221	\$ 840,698	\$ 3,374,151	\$ 352,431	\$ 332,282	\$ 684,713	\$ 4,058,864
Payroll taxes and employee benefits (Note 13)	<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>
Total salaries and related costs	243,399	844,104	2,104,151	1,059,115	4,250,769	443,995	418,610	862,605	5,113,374
Support for Parks Department activities (Note 9)	-	-	305,348	-	305,348	-	-	-	305,348
Professional and contracted services	152,884	74,866	33,150	87,932	348,832	428,881	3,050	431,931	780,763
Maintenance and repairs	-	140,374	497,193	29,557	667,124	16,115	-	16,115	683,239
Vehicles, equipment, facility and infrastructure improvement (Note 11)	274,547	-	-	-	274,547	-	-	-	274,547
Office and general expenses (Note 9)	-	28,009	41,134	21,636	90,779	316,451	36,295	352,746	443,525
Program materials and supplies	-	596	241	72,830	73,667	-	4,481	4,481	78,148
Marketing and communications	-	6,906	448	1,199	8,553	50,280	1,425	51,705	60,258
Fundraising events	-	-	-	-	-	-	172,912	172,912	172,912
Bad debt expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,033</u>	<u>-</u>	<u>49,033</u>	<u>49,033</u>
TOTAL EXPENSES	<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>

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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,540,084	\$ 88,531
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Realized/unrealized (gain) loss	(136,917)	696,963
Bad debt expense	10,143	49,033
Changes in operating assets and liabilities:		
Decrease (increase) in assets:		
Contributions and other receivables	1,544,622	(930,943)
License receivables	59,140	116,530
Prepaid expenses and other assets	(103,922)	(32,001)
Due from the City of New York/Parks and Recreation	9,625	(21,460)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	1,375,378	42,604
Deferred events revenue	(121,328)	181,975
Net Cash Provided by Operating Activities	<u>4,176,825</u>	<u>191,232</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	4,602,373	1,367,516
Purchase of investments	(7,370,868)	(3,250,000)
Net Cash Used in Investing Activities	<u>(2,768,495)</u>	<u>(1,882,484)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,408,330	(1,691,252)
Cash and cash equivalents - beginning of year	<u>4,787,978</u>	<u>6,479,230</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 6,196,308</u>	<u>\$ 4,787,978</u>

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, the Alliance determined an allowance of \$0 was necessary for contributions and other receivables.

As of both December 31, 2023 and 2022, the Alliance determined that there is no allowance for credit losses necessary for license receivables. Such estimate is based on management's review of the aged basis of its government funding sources, creditworthiness of its customers and donors, as well as current economic conditions and historical information. Upon the adoption of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-13, *Current Expected Credit Loss* ("CECL") (Topic 326), the Alliance also considers reasonable and supportable forecasts when determining the allowance. The adoption of this ASU was not considered material to the financial statements.

- 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.

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.
- 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 FASB 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, 2023 and 2022, the Alliance had received conditional funding from government agencies in the amounts of approximately \$653,000 and \$675,000, 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. Performance obligations are determined based on the nature of the services provided by the Alliance in accordance with the contract. 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).

Receivables are due in full when billed and revenue is recognized as performance obligations are satisfied.

The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Alliance determines the transaction price based on established rates and contracts for services provided. Amounts collected before performance obligations are satisfied are reflected as deferred revenue on the accompanying statements of financial position (Note 2I). The beginning and ending contract balances related to license revenue as of December 31 were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
License receivable			
	\$ 2,627	\$ 61,767	\$ 191,639
	<u>\$ 2,627</u>	<u>\$ 61,767</u>	<u>\$ 191,639</u>
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred revenue			
	\$ 18,957	\$ 10,765	\$ 37,085
	<u>\$ 18,957</u>	<u>\$ 10,765</u>	<u>\$ 37,085</u>

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- M. ***Recently Adopted Accounting Standards*** – The Alliance adopted FASB ASU 2016-13, CECL (Topic 326) for the year ended December 31, 2023. FASB issued new guidance on the measurement of CECL on financial instruments. The FASB has subsequently issued additional guidance amending certain aspects of the measurement of CECL. The new guidance has replaced the incurred loss methodology of recognizing credit losses on financial instruments with a methodology that estimates the expected credit loss on financial instruments and reflects the net amount expected to be collected on the financial instrument. Financial assets held by the Alliance that are subject to the guidance in ASU 2016-03 include license receivables. For the Alliance, financial information for periods prior to the date of initial application has not been adjusted. There is no recognized allowance for license receivables.
- N. ***Reclassification*** – Certain line items in the December 31, 2022 financial statements were reclassified to conform to the December 31, 2023 presentation. These changes had no impact on the change in net assets for the year ended December 31, 2022.

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.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within 12 months from December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 6,196,308	\$ 4,787,978
Contributions and other receivables, net	318,064	1,872,829
License receivables, net	2,627	61,767
Certificates of deposit	3,131,459	3,250,000
Investments	6,251,257	3,227,304
Due from the City of New York/Parks and Recreation	<u>109,810</u>	<u>119,435</u>
	16,009,525	13,319,313
Less:		
Board-designated reserve fund	(5,243,462)	(5,583,083)
Net assets with donor restrictions	<u>(2,650,176)</u>	<u>(2,274,927)</u>
	<u>\$ 8,115,887</u>	<u>\$ 5,461,303</u>

NOTE 4 – CONTRIBUTIONS AND OTHER RECEIVABLES

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

	<u>2023</u>	<u>2022</u>
Amount due in less than one year	\$ 243,064	\$ 1,722,829
Amount due in more than one year	<u>75,000</u>	<u>150,000</u>
	<u>\$ 318,064</u>	<u>\$ 1,872,829</u>

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

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

NOTE 5 – INVESTMENTS

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

	<u>2023</u>	<u>2022</u>
Common stock	\$ 1,155	\$ -
Mutual funds	3,480,430	3,227,304
Money market funds	<u>2,769,672</u>	<u>-</u>
	<u>\$ 6,251,257</u>	<u>\$ 3,227,304</u>

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

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

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 169,151	\$ 163,004
Realized/unrealized gain (loss)	136,917	(696,963)
Investment advisory fees	<u>(13,209)</u>	<u>(13,915)</u>
	<u>\$ 292,859</u>	<u>\$ (547,874)</u>

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.

Common stock, mutual funds, and money market 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, 2023:

	<u>Level 1</u>	<u>Total</u>
ASSETS CARRIED AT FAIR VALUE		
Investments:		
Common stock	\$ 1,155	\$ 1,155
Mutual funds	3,480,430	3,480,430
Money market funds	<u>2,769,672</u>	<u>2,769,672</u>
	<u>\$ 6,251,257</u>	<u>\$ 6,251,257</u>

RANDALL'S ISLAND PARK ALLIANCE, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 – FAIR VALUE MEASUREMENTS (Continued)

Assets carried at fair value consisted of the following as of December 31, 2022:

	<u>Level 1</u>	<u>Total</u>
ASSETS CARRIED AT FAIR VALUE		
Investments:		
Mutual funds	<u>\$ 3,227,304</u>	<u>\$ 3,227,304</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, 2023 and 2022, the reserve fund amounted to \$5,243,462 and \$5,583,083, 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.

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 years ended December 31, 2023 and 2022, payment to the Parks Department amounted to \$397,967 and \$326,808, respectively, 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, 2023 and 2022, the Alliance had a balance of \$109,810 and \$119,435, respectively.

NOTE 10 – IN-KIND SUPPORT AND CONTRIBUTED SERVICES

In-kind support for the year ended December 31, 2023 is as follows:

Nonfinancial Asset	2023	Used in Programs/Activities	Donor-imposed Restriction	Fair Value Technique
Office space, vehicles, equipment, telephone and IT	<u>\$ 10,637</u>	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, 2022 is as follows:

Nonfinancial Asset	2022	Used in Programs/Activities	Donor-imposed Restriction	Fair Value Technique
Office space, vehicles, equipment, telephone and IT	<u>\$ 24,920</u>	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

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.

RANDALL'S ISLAND PARK ALLIANCE, INC.
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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.

NOTE 12 – CONTINGENCIES

- A. The Alliance believes it has no uncertain tax positions as of December 31, 2023 and 2022, 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, 2022, 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. If conditions are not met, any amount of credit received is refundable to the government and the Alliance may be subject to fines and penalties. The total amount of the ERC recognized during the year ended December 31, 2022 was \$632,274. As December 31, 2022, \$492,775 was outstanding for the ERC and was included in contributions and other receivables on the accompanying statements of financial position. The outstanding ERC amount was collected in May 2023. There is no outstanding balance as of December 31, 2023.
- C. The Alliance is periodically involved in several personal injury actions allegedly arising out of accidents and incidents occurring on Randall's Island. Management believes that any liabilities arising from such claims would be covered either by indemnification protections pursuant to existing agreements between the Alliance and the City of New York, or by liability insurance/contractual indemnification of third parties, such as contractors. Accordingly, management believes the potential aggregate liability for all such claims would not have a material adverse effect on the Alliance's net position.

NOTE 13 – 403(B) SAVINGS PLAN

The Alliance maintains a 403(b) savings plan (the "Plan"). Participation in the savings part of the Plan is voluntary. Participants are eligible to contribute salary reductions on their first day of employment. Participants are eligible for employer 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, 2023 and 2022 amounted to \$56,730 and \$49,820, respectively.

NOTE 14 – CONCENTRATION OF CREDIT RISK

Cash and cash equivalents that potentially subject the Alliance to a concentration of credit risk include cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. FDIC participating banks insure up to \$250,000 per depositor, per financial institution. As of December 31, 2023 and 2022, there was approximately \$5,496,000 and \$4,484,000, respectively, of cash and cash equivalents held by two different banks that exceeded FDIC limits. Such excess includes outstanding checks.

NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Time restrictions	\$ 150,000	\$ 300,000
Purpose restrictions	<u>2,500,176</u>	<u>1,974,927</u>
	<u>\$ 2,650,176</u>	<u>\$ 2,274,927</u>

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NOTE 15 – NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets released from restrictions during the years ended December 31, 2023 and 2022, amounted to \$1,671,245 and \$265,829, respectively.

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through June 10, 2024, the date the financial statements were available to be issued.