

**RIVERSIDE PARK CONSERVANCY, INC.  
AND AFFILIATE**

**Consolidated Financial Statements  
For the Years Ended  
December 31, 2019  
and  
December 31, 2018**

**Independent Auditor's Report**

To the Board of Directors of  
Riverside Park Conservancy, Inc. and Affiliate

We have audited the accompanying consolidated financial statements of Riverside Park Conservancy, Inc. and Affiliate which comprise the consolidated statement of financial position as of December 31, 2019 and December 31, 2018 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the statement of financial position of Riverside Park Conservancy, Inc. and Affiliate as of December 31, 2019 and December 31, 2018 and the results of their activities and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Condon O'Meara McGinty & Donnelly LLP*

October 7, 2020

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Consolidated Statement of Financial Position**

Assets	December 31	
	2019	2018
<b>Current assets</b>		
Cash and cash equivalents	\$4,196,473	\$3,532,375
Contributions receivable – current	351,743	735,021
Prepaid expenses	-	13,459
Total current assets	4,548,216	4,280,855
<b>Contribution receivable – net</b>	136,803	-
<b>Investments, at fair value</b>	1,469,226	1,228,112
<b>Property and equipment, at cost</b>		
Furniture and equipment	49,730	58,818
Leasehold improvements	20,350	20,350
Sub-total	70,080	79,168
Less: accumulated depreciation and amortization	61,959	59,140
Net property and equipment	8,121	20,028
<b>Total assets</b>	<b>\$6,162,366</b>	<b>\$5,528,995</b>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable and accrued expenses	\$ 924,847	\$ 581,163
Deferred RPC – South maintenance fee and other	415,404	230,187
Total current liabilities	1,340,251	811,350
<b>Net assets</b>		
Without donor restrictions	951,029	900,944
With donor restrictions	3,871,086	3,816,701
Total net assets	4,822,115	4,717,645
<b>Total liabilities and net assets</b>	<b>\$6,162,366</b>	<b>\$5,528,995</b>

See notes to consolidated financial statements.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Consolidated Statement of Activities  
Year Ended December 31, 2019  
(with summarized comparative information for 2018)**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Public support and revenue</b>				
Contributions	\$ 1,492,434	\$ 1,659,112	\$ 3,151,546	\$ 3,854,771
RPC-South maintenance fees	1,647,423	-	1,647,423	1,328,328
Special events proceeds (net of direct expenses of \$196,868 for 2019 and \$123,992 for 2018)	684,879	-	684,879	601,909
Interest and dividends	3,703	26,917	30,620	28,311
RCTA fees	570,996	-	570,996	344,870
Sports camp fees	866,831	-	866,831	778,381
Other	132,706	-	132,706	233,741
Net assets released from restrictions	<u>1,863,611</u>	<u>(1,863,611)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>7,262,583</u>	<u>(177,582)</u>	<u>7,085,001</u>	<u>7,170,311</u>
<b>Expenses</b>				
Program services				
Field operations and volunteers	3,157,883	-	3,157,883	2,982,403
Public programs and events	1,583,952	-	1,583,952	1,568,493
Design and construction	<u>1,029,978</u>	<u>-</u>	<u>1,029,978</u>	<u>361,193</u>
Total program services	<u>5,771,813</u>	<u>-</u>	<u>5,771,813</u>	<u>4,912,089</u>
Supporting activities				
Management and general	813,954	-	813,954	408,366
Fundraising	<u>626,348</u>	<u>-</u>	<u>626,348</u>	<u>469,995</u>
Total supporting activities	<u>1,440,302</u>	<u>-</u>	<u>1,440,302</u>	<u>878,361</u>
Total expenses	<u>7,212,115</u>	<u>-</u>	<u>7,212,115</u>	<u>5,790,450</u>
Increase (decrease) in net assets from operating activities	50,468	(177,582)	(127,114)	1,379,861
Non-operating activities				
Unrealized gain (loss) on investments	<u>(383)</u>	<u>231,967</u>	<u>231,584</u>	<u>(68,767)</u>
<b>Increase in net assets</b>	<b>50,085</b>	<b>54,385</b>	<b>104,470</b>	<b>1,311,094</b>
<b>Net assets, beginning of year</b>	<b><u>900,944</u></b>	<b><u>3,816,701</u></b>	<b><u>4,717,645</u></b>	<b><u>3,406,551</u></b>
<b>Net assets, end of year</b>	<b><u>\$ 951,029</u></b>	<b><u>\$ 3,871,086</u></b>	<b><u>\$ 4,822,115</u></b>	<b><u>\$ 4,717,645</u></b>

See notes to consolidated financial statements.



**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Consolidated Statement of Activities  
Year Ended December 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public support and revenue</b>			
Contributions	\$ 1,259,981	\$ 2,594,790	\$ 3,854,771
RPC-South maintenance fees	1,328,328	-	1,328,328
Special events proceeds (net of direct expenses of \$123,992)	601,909	-	601,909
Interest and dividends	3,964	24,347	28,311
RCTA fees	344,870	-	344,870
Sports camp fees	778,381	-	778,381
Other	233,741	-	233,741
Net assets released from restrictions	<u>775,920</u>	<u>(775,920)</u>	<u>-</u>
<b>Total public support and revenue</b>	<u>5,327,094</u>	<u>1,843,217</u>	<u>7,170,311</u>
<b>Expenses</b>			
Program services			
Field operations and volunteers	2,982,403	-	2,982,403
Public programs and events	1,568,493	-	1,568,493
Design and construction	<u>361,193</u>	<u>-</u>	<u>361,193</u>
<b>Total program services</b>	<u>4,912,089</u>	<u>-</u>	<u>4,912,089</u>
Supporting activities			
Management and general	408,366	-	408,366
Fundraising	<u>469,995</u>	<u>-</u>	<u>469,995</u>
<b>Total supporting activities</b>	<u>878,361</u>	<u>-</u>	<u>878,361</u>
<b>Total expenses</b>	<u>5,790,450</u>	<u>-</u>	<u>5,790,450</u>
Increase (decrease) in net assets from operating activities	(463,356)	1,843,217	1,379,861
Non-operating activities			
Unrealized (loss) on investments	<u>-</u>	<u>(68,767)</u>	<u>(68,767)</u>
<b>Increase (decrease) in net assets</b>	<b>(463,356)</b>	<b>1,774,450</b>	<b>1,311,094</b>
<b>Net assets, beginning of year</b>	<u><b>1,364,300</b></u>	<u><b>2,042,251</b></u>	<u><b>3,406,551</b></u>
<b>Net assets, end of year</b>	<u><b>\$ 900,944</b></u>	<u><b>\$ 3,816,701</b></u>	<u><b>\$ 4,717,645</b></u>

See notes to consolidated financial statements.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses  
 Year Ended December 31, 2019  
 (with summarized comparative information for 2018)

	2019				2018			
	Program Services		Supporting Activities		Program Services		Supporting Activities	
	Field Operations and Volunteers	Public Programs and Events	Design and Construction	Total	Management and General	Fundraising	Total	Total Expenses
Salaries	\$ 1,154,400	\$ 303,570	\$ 4,187	\$ 1,462,157	\$ 518,031	\$ 429,916	\$ 947,947	\$ 2,410,104
Payroll taxes and employee benefits	315,512	165,329	4,049	484,890	55,484	77,060	132,544	617,434
Total salaries and related costs	1,469,912	468,899	8,236	1,947,047	573,515	506,976	1,080,491	3,027,538
Professional fees	56,935	87,201	288	144,424	194,272	5,930	200,202	344,626
Contractors – RSPOA	956,156	-	-	956,156	-	-	-	956,156
Occupancy	34,452	18,053	442	52,947	6,059	8,415	14,474	67,421
Office expenses	113,130	59,566	1,407	174,103	22,678	26,099	48,777	222,880
Insurance	14,257	7,471	183	21,911	2,508	3,482	5,990	27,901
Park supplies	213,435	54	57,226	270,715	7,565	-	7,565	278,280
Park improvements	73,512	1,343	951,649	1,026,504	56	3	59	1,026,563
Sports camp	-	750,675	-	750,675	-	-	-	750,675
RPC – South	196,084	93,064	10,547	299,695	-	-	-	299,695
Other	30,010	97,626	-	127,636	4,482	75,443	79,925	207,561
Depreciation and amortization	-	-	-	-	2,819	-	2,819	2,819
<b>Total</b>	<b>\$ 3,157,883</b>	<b>\$ 1,583,952</b>	<b>\$ 1,029,978</b>	<b>\$ 5,771,813</b>	<b>\$ 813,954</b>	<b>\$ 626,348</b>	<b>\$ 1,440,302</b>	<b>\$ 7,212,115</b>
								<b>\$ 5,790,450</b>

See notes to consolidated financial statements.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses  
Year Ended December 31, 2018

	Program Services				Supporting Activities		
	Field Operations and Volunteers	Public Programs and Events	Design and Construction	Total	Management and General	Fundraising	Total
Salaries	\$1,132,787	\$ 457,999	\$ 77,162	\$1,667,948	\$ 146,912	\$ 217,970	\$ 364,882
Payroll taxes and employee benefits	264,518	106,948	18,018	389,484	34,305	50,898	85,203
Total salaries and related costs	1,397,305	564,947	95,180	2,057,432	181,217	268,868	450,085
Professional fees	72,599	110,896	4,945	188,440	163,497	13,969	177,466
Contractors – RSPOA	913,718	-	-	913,718	-	-	-
Occupancy	36,929	14,931	2,516	54,376	4,789	7,106	11,895
Office expenses	102,660	41,507	6,993	151,160	13,314	19,754	33,068
Insurance	12,287	4,968	837	18,092	1,593	2,364	3,957
Park supplies	216,246	-	-	216,246	37,962	-	37,962
Park improvements	144,094	-	250,465	394,559	-	-	-
Sports camp	-	639,466	-	639,466	-	-	-
RPC – South	82,798	83,436	-	166,234	-	-	-
Other	3,767	108,342	257	112,366	490	157,934	158,424
Depreciation and amortization	-	-	-	-	5,504	-	5,504
<b>Total</b>	<b>\$2,982,403</b>	<b>\$1,568,493</b>	<b>\$ 361,193</b>	<b>\$4,912,089</b>	<b>\$ 408,366</b>	<b>\$ 469,995</b>	<b>\$ 878,361</b>
							<b>\$5,790,450</b>

See notes to consolidated financial statements.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Consolidated Statement of Cash Flows**

	<b>Year Ended</b>	
	<b>December 31</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Cash flows from operating activities</b>		
Increase in net assets	\$ 104,470	\$1,311,094
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	2,819	5,504
Loss on disposal of property and equipment	9,088	37,925
Donated stocks	(441,296)	(27,710)
Proceeds from sale of donated stocks	441,296	27,710
Unrealized (gain) loss on investments	(231,584)	68,767
(Increase) decrease in assets		
Contributions receivable	246,475	(713,421)
Prepaid expenses	13,459	(6,247)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	343,684	(6,128)
Deferred RPC – South maintenance fees and other	<u>185,217</u>	<u>(24,497)</u>
Net cash provided by operating activities	<u>673,628</u>	<u>672,997</u>
<b>Cash flows from investing activities</b>		
Purchases of investments	(343,892)	(65,291)
Proceeds from sale of investments	311,772	28,591
Net change in money market funds	<u>22,590</u>	<u>20,587</u>
Net cash (used in) investing activities	<u>(9,530)</u>	<u>(16,113)</u>
<b>Net increase in cash and cash equivalents</b>	<b>664,098</b>	<b>656,884</b>
<b>Cash and cash equivalents, beginning of year</b>	<b><u>3,532,375</u></b>	<b><u>2,875,491</u></b>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$4,196,473</u></b>	<b><u>\$3,532,375</u></b>

See notes to consolidated financial statements.



## RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

### Notes to Consolidated Financial Statements December 31, 2019 and December 31, 2018

#### Note 1 – Nature of organizations

##### Riverside Park Conservancy, Inc.

Riverside Park Conservancy, Inc. (the “Conservancy”) is a private, not-for-profit corporation established in 1986. The Conservancy was organized to help restore, maintain and improve Riverside Park (the “Park”). Stretching four miles along the Hudson River from 72<sup>nd</sup> Street to 153<sup>rd</sup> Street on Manhattan’s Upper West Side, Riverside Park’s over 330 acres provide recreation and relaxation for a very diverse population. More recently, the Conservancy has helped care for New York City parks adjacent to the Park, specifically Riverside Park South, Sakura Park, West Harlem Piers Park, and a portion of Fort Washington Park, in total an area spanning six miles from 59<sup>th</sup> Street to 181<sup>st</sup> Street.

The Conservancy’s goals are to raise private funds for the Park, serve as its advocate, and educate the public about the park, strengthening the constituency for its long-term preservation. The Conservancy manages park projects such as restoring pathways and facilities, resurfacing playing fields and dog runs, and rehabilitating large horticulture areas. It also supports park users at playgrounds, tennis courts and community gardens and sponsors free programming and events.

The Conservancy directly supports the ongoing care of the Park by directing an extensive corps of volunteers, one of the largest in the City of New York, and with a staff of full time, year round gardeners and field technicians who provide specialized care to sustain the Park’s continuing restoration.

The Conservancy works in partnership with the New York City Department of Parks and Recreation and uses the grounds and facilities of Riverside Park to further its exempt purpose. The Park is owned by the City of New York. All improvements made by the Conservancy to the Park inure to the benefit of New York City.

##### Riverside Tennis Association, LLC

The Riverside Tennis Association, LLC (the “RTA”) was founded in the early 1980’s in order to protect the 10 public clay tennis courts in Riverside Park at 97<sup>th</sup> Street along the Hudson River. The Conservancy is the sole member of the RTA.

#### Note 2 – Summary of significant accounting policies

##### Principles of consolidation

The accompanying consolidated financial statements include the activity of both entities. All material intercompany accounts and transactions have been eliminated in consolidation.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE****Notes to Consolidated Financial Statements (continued)  
December 31, 2019 and December 31, 2018****Note 2 – Summary of significant accounting policies (continued)**Net assets

The Conservancy reports information regarding its consolidated financial position and consolidated activities into two classes of net assets as follows:

Without donor restrictions

Net assets that are not subject to donor imposed restrictions and are available for operations.

With donor restrictionsTemporary donor restrictions

Net assets that are subject to specific donor imposed restrictions that are expected to be satisfied by passage of time or performance of activities.

Perpetual donor restrictions

Net assets that are subject to donor imposed stipulations that must remain intact in perpetuity.

Cash equivalents

The Conservancy considers highly liquid assets with original maturities of 90 days or less to be cash equivalents, unless such assets are held as part of its investment strategy in which case these assets are included in investments.

Investments

The fair value of the investments is based on publicly quoted prices. The cost of investments sold is determined on an average cost basis. Investment return is allocated between net assets without donor restrictions and with donor restrictions (temporary donor restrictions).

Fair value measurements

For assets measured at fair value on a recurring basis as of December 31, 2019 and December 31, 2018, accounting principles generally accepted in the United States of America require quantitative disclosures about the fair value measurements separately for each major class of assets. The Conservancy's investments have all been classified in the highest level of hierarchy (Level 1). Its quoted prices are in active markets for identical assets.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE****Notes to Consolidated Financial Statements (continued)  
December 31, 2019 and December 31, 2018****Note 2 – Summary of significant accounting policies (continued)**Allowance for doubtful accounts

As of December 31, 2019 and December 31, 2018, the Conservancy has determined that its accounts and contribution receivable are all collectible and an allowance for any possible uncollectible receivables is not necessary. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Contributions receivable

Contributions including unconditional promises to give ("pledges") are recognized as revenue in the period received and when the conditions on which they depend have been substantially met. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and equipment

Expenditures of property and equipment, that the Conservancy retains title to and leasehold improvements which benefit future periods, above a nominal amount and with a useful life greater than one year, are capitalized at cost, or if donated, at the estimated fair value at the time of donation. Depreciation and amortization is computed using the straight-line method over the assets estimated useful life or the life of the lease, which range from five to seven years.

Contributions

Contributions and grants received including unconditional promises to give, are recorded as support without donor restrictions or with donor restrictions, depending on the existence or absence of donor restrictions, at the time of receipt or promise. Donor-restricted contributions that have their restriction met within the fiscal year are reported as support without donor restrictions. Restrictions that are not met are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can be reasonably determined.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE****Notes to Consolidated Financial Statements (continued)  
December 31, 2019 and December 31, 2018****Note 2 – Summary of significant accounting policies (continued)**In-kind services

Organizations are required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Conservancy. These services do not meet the criteria to be recorded and have not been included in the consolidated financial statements.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting activities benefited. Expenses attributable to more than one functional category are allocated using a variety of cost allocation techniques primarily consisting of salary and wages and time and effort reporting.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

The Conservancy's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents, receivables and investments. The Conservancy places its cash and cash equivalents with what it believes to be quality financial institutions. At times, cash balances were in excess of the FDIC insurance limit. However, the Conservancy has not experienced any losses in these accounts to date. The Conservancy closely monitors the collectability of its receivables. The Conservancy's investments are subject to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the foregoing risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the consolidated statement of financial position at December 31, 2019. The Conservancy routinely assesses the financial strength and diversification of its investment portfolio. As a result, management believes concentrations of credit risk are limited.



**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements (continued)**  
**December 31, 2019 and December 31, 2018**

**Note 2 – Summary of significant accounting policies (continued)**

Subsequent events

The Conservancy has evaluated events and transactions for potential recognition or disclosure through October 7, 2020, which is the date the consolidated financial statements were available to be issued.

Management believes that the COVID-19 pandemic may have a material impact on the Conservancy's future financial condition, results of operations and cash flows. The Conservancy has taken steps to mitigate the impact on operations of the COVID-19. The economic impact of the COVID-19 on the Conservancy's future financial operations is not readily determinable.

During 2020, the Conservancy applied for and received a loan under the Paycheck Protection Program ("PPP") which is a business loan program established by the Coronavirus Aid, Relief, and Economic Security Act. The total amount received under this program was approximately \$525,000. Subject to the terms of the PPP loan, the Conservancy is eligible for forgiveness of the loan proceeds in an amount equal to the total spent on qualifying expenditures as outlined in the agreement.

**Note 3 – Liquidity and availability of financial assets**

The Conservancy's working capital and cash flows have seasonal fluctuations during the year primarily attributable to the annual cash receipts for contributions and RPC-South maintenance fees.

The following is a summary of the financial assets as of December 31, 2019 and December 31, 2018 that are available to meet cash needs for general expenditures within one year of the consolidated statement of financial position date:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 4,196,473	\$ 3,532,375
Contributions receivable	<u>351,743</u>	<u>735,021</u>
Total financial assets	4,548,216	4,267,396
Less: Assets with perpetual donor restrictions	<u>(537,000)</u>	<u>(537,000)</u>
Total	<u>\$ 4,011,216</u>	<u>\$ 3,730,396</u>

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements (continued)  
December 31, 2019 and December 31, 2018**

**Note 4 – Contributions receivable**

Contributions receivable are unconditional promises to make donations to the Conservancy. The Conservancy discounts its receivables to their present value using a rate of 4.75%. Contributions receivable are expected to be received as follows:

	<u>Amount</u>
Due within 1 year	\$ 351,743
Due within 1 to 5 years	<u>150,000</u>
Sub-total	501,743
Less: amount to reduce contributions receivable to their present value (discount rate – 4.75%)	<u>(13,197)</u>
Total	<u>\$ 488,546</u>

**Note 5 – Investments**

The following is a summary of the investments at fair value held by the Conservancy as of December 31, 2019 and December 31, 2018:

	<u>2019</u>	<u>2018</u>
Money market funds	\$ 256,861	\$ 279,451
Common stocks	15,955	10,928
Vanguard total stock market ETF	137,949	105,586
Vanguard long-term bond index fund	340,618	286,076
Vanguard 500 stock index fund	<u>717,843</u>	<u>546,071</u>
Total	<u>\$1,469,226</u>	<u>\$1,228,112</u>

**Note 6 – Commitments**

Office and storage space

The Conservancy leases office and storage space under non-cancelable operating leases expiring on October 31, 2020. The Conservancy's annual rent is equal to the Conservancy's proportionate share of the landlord's carrying, maintenance, operating and depreciation charges, along with the scheduled contributions to the landlord's capital improvement funds. The Conservancy's proportionate share of its expenses is based on its proportionate share of its square footage in the building, as defined in the agreement. The annual rent is also subject to an annual increase based on the increase in the landlord's expenses. Rent expense for the years ended December 31, 2019 and December 31, 2018 is \$67,421 and \$66,271, respectively.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE****Notes to Consolidated Financial Statements (continued)  
December 31, 2019 and December 31, 2018****Note 6 – Commitments (continued)****License agreement**

The Conservancy and the New York City Department of Parks and Recreation (“Parks”) entered into a licensing agreement on March 31, 2006 which granted the Conservancy a license to maintain, operate, improve and provide programming in Riverside Park. The license agreement has had subsequent extensions and was extended again on January 6, 2020 for ten years. The agreement is subject to certain terms and conditions and further subject to two additional five-year renewals at the discretion of Parks and upon request by the Conservancy.

**Park maintenance funding agreement**

The Conservancy entered into an agreement with Riverside South Property Owners Association, Inc., a New York State not-for-profit corporation, (“RSPOA”) for the maintenance, operations and programming of Riverside Park South. The agreement was automatically renewed on January 1, 2016 for a sixty-month period. Unless terminated, the agreement shall automatically renew for successive sixty-month periods. RSPOA shall remit payments to the Conservancy on a quarterly basis as outlined in the agreement. Each quarterly payment shall equal one quarter of the operating costs set forth in the budget plan for such year (the “Annual Maintenance Contribution”). In addition, the Conservancy’s annual compensation for the services provided shall be an amount equal to 4.25% of the Annual Maintenance Contribution for the applicable year.

**Note 7 – Retirement plan**

The Conservancy maintains a 401(k) plan (the “Plan”) for all eligible employees. Employees may make contributions to the Plan in accordance with limits established by the Internal Revenue Service. The Conservancy does not make any matching contributions to the Plan.

**Note 8 – Litigation**

The Conservancy is currently involved in a legal proceeding arising in the ordinary course of business. The Conservancy believes it has a defense for the proceeding and is vigorously defending the action. In the opinion of management, after consultation with outside legal counsel, the final disposition of the matter will not have a material effect on the Conservancy’s consolidated financial statements. In the above proceeding, the Conservancy has been notified by the City of New York Legal Department that it will defend the Conservancy and pay on its behalf any judgment arising out of the proceeding.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements (continued)**  
**December 31, 2019 and December 31, 2018**

**Note 9 – Net assets with donor restrictions**

**Temporary donor restrictions**

The following summarizes the changes in net assets with temporary donor restrictions for the years ended December 31, 2019 and December 31, 2018:

	2019			
	Balance, December 31 2018	Contributions and investment return	Net assets released	Balance, December 31 2019
Programs:				
Hungarian Memorial Park operations	\$ 251,943 21,228	\$ 63,424 70,700	\$ (2,000) (91,928)	\$ 313,367 -
Warsaw Ghetto Memorial Plaza (including unspent investment return)	106,867	35,602	-	142,469
72 <sup>nd</sup> Street Dog Run	76,821	13,430	(4,700)	85,551
Summer on the Hudson	57,757	10,965	(7,807)	60,915
Volunteer Summer on the Hudson Troops for Fitness	89,773 43,688	102,635 -	(66,042) (3,450)	126,366 40,238
76 <sup>th</sup> Street Playground	53,958	-	-	53,958
91 <sup>st</sup> Street Hippo Playground	7,360	9,200	-	16,560
116 <sup>th</sup> - 125 <sup>th</sup> Street Bird Sanctuary	521,328	-	(211,777)	309,551
Greenway Slope Restoration	550,869	236,803	(294,983)	492,689
Field House	878,842	-	(555,332)	323,510
83 <sup>rd</sup> St. Bike Path Project	-	386,400	(307,670)	78,730
Slop Restoration Program service (general) – Booth Ferris Foundation	-	200,000 100,000	-	200,000 55,759
Other programs	272,699	525,741	(235,654)	562,786
Unspent investment return earned on endowment funds	346,568	163,096	(38,027)	471,637
Total	<u>\$ 3,279,701</u>	<u>\$ 1,917,996</u>	<u>\$ (1,863,611)</u>	<u>\$ 3,334,086</u>



**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements (continued)  
December 31, 2019 and December 31, 2018**

**Note 9 – Net assets with donor restrictions (continued)**

Temporary donor restrictions (continued)

	2018			
	Balance, December 31 2017	Contributions and investment return	Net assets released	Balance, December 31 2018
Programs:				
Hungarian Memorial Park operations	\$ 265,411 159,697	\$ (13,468) 124,425	\$ - (262,894)	\$ 251,943 21,228
Warsaw Ghetto Memorial Plaza (including unspent investment return)	109,883	(3,016)	-	106,867
72 <sup>nd</sup> Street Dog Run Summer on the Hudson	79,545 71,060	15,960 9,730	(18,684) (23,033)	76,821 57,757
Volunteer Summer on the Hudson Troops for Fitness	65,122 58,087	84,455 -	(59,804) (14,399)	89,773 43,688
76 <sup>th</sup> Street Playground 91 <sup>st</sup> Street Hippo Playground	52,758 51,587	1,200 1,750	- (45,977)	53,958 7,360
116 <sup>th</sup> - 125 <sup>th</sup> Street Bird Sanctuary	-	600,000	(78,672)	521,328
Greenway Slope Restoration	-	575,410	(24,541)	550,869
Field House	-	1,000,000	(121,158)	878,842
Other programs	197,747	180,710	(105,758)	272,699
Unspent investment return earned on endowment funds	394,354	(26,786)	(21,000)	346,568
Total	<u>\$ 1,505,251</u>	<u>\$ 2,550,370</u>	<u>\$ (775,920)</u>	<u>\$ 3,279,701</u>

Perpetual donor restrictions – endowment funds

The Conservancy acts prudently when making decisions to spend or accumulate perpetual donor restricted endowment assets and in doing so, considers a number of factors including the duration and preservation of its perpetual donor restricted endowment funds. The Conservancy classifies as perpetual restricted net assets the original value of gifts donated to the endowment.

The Conservancy's long-term assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of the Conservancy, the Board of Directors takes into account a number of factors including the financial needs and circumstances of the Conservancy, the time horizon available for investment, the nature of the Conservancy's cash flows and liabilities, and other factors that affect their risk tolerance.

**RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**

**Notes to Consolidated Financial Statements (continued)  
December 31, 2019 and December 31, 2018**

**Note 9 – Net assets with donor restrictions (continued)**

Perpetual donor restrictions – endowment funds (continued)

The investment return generated from its perpetual restricted funds is recorded as temporary restricted support until such time as appropriated by the Board of Directors or until it is spent in accordance with the donor's terms.

From time to time the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or New York Prudent Management of Institutional Funds Act requires. There were no such deficiencies as of December 31, 2019 and December 31, 2018.

The net assets with perpetual donor restrictions consist of the following as of December 31, 2019 and December 31, 2018:

103 <sup>rd</sup> and 107 <sup>th</sup> Street Ballfields Endowment	\$ 200,000
Peter Jay Sharp Volunteer House	100,000
Volunteer Grant Program	75,000
Alex and Thelma Schwarz Fund	50,000
Neufeld Playground at 76 <sup>th</sup> Street	50,000
Ralph Ellison Memorial	50,000
Firemen's Memorial Island	<u>12,000</u>
Total	<u>\$ 537,000</u>

**Note 10 – Tax status**

The Conservancy is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Conservancy has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation, within the meaning of Section 509(a)(1) of the Code. The RTA is a limited liability corporation. Since the Conservancy is the sole member of the RTA, it is considered a disregarded entity for tax purposes.