

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

**Consolidated Financial Statements
For the Years Ended
December 31, 2022
and
December 31, 2021**

Independent Auditor's Report

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

Opinion

We have audited the accompanying consolidated financial statements of Riverside Park Conservancy, Inc. and Affiliate (the "Conservancy") which comprise the consolidated statement of financial position as of December 31, 2022 and December 31, 2021 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Conservancy as of December 31, 2022 and December 31, 2021 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Conservancy 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 Consolidated 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.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservancy'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.

Condon O'Meara McElroy & Donnelly LLP

May 4, 2023

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Consolidated Statement of Financial Position

Assets

	December 31	
	2022	2021
Current assets		
Cash and cash equivalents	\$ 7,302,193	\$ 7,950,540
Contributions receivable – current	676,566	732,121
Prepaid expenses and other assets	14,863	15,745
Total current assets	7,993,622	8,698,406
Contributions receivable – net	-	238,901
Investments, at fair value	2,014,248	2,433,793
Property and equipment, at cost		
Vehicles and equipment	389,664	49,730
Leasehold improvements	-	20,350
Sub-total	389,664	70,080
Less: accumulated depreciation and amortization	51,053	67,597
Net vehicle and equipment	338,611	2,483
Total assets	\$ 10,346,481	\$ 11,373,583

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 1,177,660	\$ 977,571
Riverside Park South – deferred maintenance	840,659	1,112,221
Total current liabilities	2,018,319	2,089,792
Net assets		
Without donor restrictions	3,355,536	3,093,491
With donor restrictions	4,972,626	6,190,300
Total net assets	8,328,162	9,283,791
Total liabilities and net assets	\$ 10,346,481	\$ 11,373,583

See notes to consolidated financial statements.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Consolidated Statement of Activities

	Year Ended December 31		
	2022		2021
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions
	Total	With Donor Restrictions	Total
Public support and revenue			
Contributions	\$ 2,549,713	\$ 1,888,509	\$ 4,438,222
Riverside Park South maintenance fees	2,086,006	-	1,599,916
Sports camp fees	1,342,818	-	1,246,187
RCTA program participant fees	712,950	-	660,691
Special events, net	504,787	-	538,607
Interest and dividends	30,059	34,002	1,121
Other	97,603	-	74,552
Net assets released from restrictions	<u>2,759,445</u>	<u>(2,759,445)</u>	<u>1,685,030</u>
Total public support and revenue	<u>10,083,381</u>	<u>(836,934)</u>	<u>8,427,427</u>
			<u>9,288,014</u>
Expenses			
Program services			
Field operations and volunteers	5,345,697	-	3,313,950
Public programs and events	2,182,141	-	1,885,397
Design and construction	869,300	-	915,426
Total program services	<u>8,397,138</u>	<u>-</u>	<u>6,114,773</u>
Supporting activities			
Management and general	887,441	-	904,473
Fundraising	452,980	-	523,878
Total supporting activities	<u>1,340,421</u>	<u>-</u>	<u>1,428,351</u>
Total expenses	<u>9,737,559</u>	<u>-</u>	<u>7,543,124</u>
Increase (decrease) in net assets from operating activities	345,822	(836,934)	884,303
Non-operating activities			
Realized and unrealized gain (loss) on investments	<u>(83,777)</u>	<u>(380,740)</u>	<u>181</u>
Increase (decrease) in net assets	262,045	(1,217,674)	884,484
Net assets, beginning of year	<u>3,093,491</u>	<u>6,190,300</u>	<u>2,209,007</u>
Net assets, end of year	<u>\$ 3,355,536</u>	<u>\$ 4,972,686</u>	<u>\$ 3,093,491</u>
			<u>\$ 6,190,300</u>
			<u>\$ 2,030,766</u>
			<u>7,253,025</u>
			<u>\$ 9,283,791</u>

See notes to consolidated financial statements.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses
Year Ended December 31, 2022
(with summarized comparative information for 2021)

	2022							2021		
	Program Services				Supporting Activities			Direct Costs of Special Events	Total Expenses	Total Expenses
	Field Operations and Volunteers	Public Programs Events	Design and Construction	Total	Management and General	Fundraising	Total			
Salaries	\$2,003,453	\$ 489,572	\$ 49,951	\$2,542,976	\$ 325,476	\$ 259,880	\$ 585,356	\$ -	\$3,128,332	\$2,618,507
Payroll taxes and employee benefits	452,982	108,000	-	560,982	71,800	57,330	129,130	-	690,112	568,086
Personnel grant to NYC Parks	831,463	-	-	831,463	-	-	-	-	831,463	850,777
Total personnel and fringe	3,287,898	597,572	49,951	3,935,421	397,276	317,210	714,486	-	4,649,907	4,037,370
Contractors, vendors and programmers	581,318	1,343,392	763,068	2,687,778	13,479	-	13,479	-	2,701,257	2,313,837
Professional/consultant fees	142,157	24,188	-	166,345	272,824	12,840	285,664	-	452,009	269,027
Park repair and maintenance	345,809	100,801	56,281	502,891	-	-	-	-	502,891	92,434
Tools and supplies	464,937	80,317	-	545,254	40,804	488	41,292	-	586,546	302,633
Vehicles and equipment	274,308	25,005	-	299,313	3,175	-	3,175	-	302,488	72,263
Occupancy	44,472	10,603	-	55,075	7,049	5,628	12,677	-	67,752	67,752
Catering, facility and exhibits rental and other costs	-	-	-	-	-	-	-	192,295	192,295	103,205
Printing, copying and signage	16,335	2,908	-	19,243	6,052	62,088	68,140	-	87,383	72,969
Office and administrative	81,438	22,122	-	103,560	13,237	10,307	23,544	-	127,104	106,603
Insurance	21,313	5,082	-	26,395	3,378	2,697	6,075	-	32,470	18,824
Fees and licenses	70,553	41,392	-	111,945	35,933	12,372	48,305	-	160,250	155,480
Depreciation	-	-	-	-	3,806	-	3,806	-	3,806	2,819
Miscellaneous	15,159	12,777	-	27,936	6,410	29,350	35,760	-	63,696	31,113
Total expenses	5,345,697	2,266,159	869,300	8,481,156	803,423	452,980	1,256,403	192,295	9,929,854	7,646,329
Less: expenses deducted directly on the consolidated statement of activities	-	-	-	-	-	-	-	(192,295)	(192,295)	(103,205)
Direct cost of special events	-	-	-	-	-	-	-	-	-	-
Total expenses reported by function on the consolidated statement of activities	\$5,345,697	\$2,266,159	\$ 869,300	\$8,481,156	\$ 803,423	\$ 452,980	\$1,256,403	\$ -	\$9,737,559	\$7,543,124

See notes to consolidated financial statements.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Consolidated Statement of Functional Expenses
Year Ended December 31, 2021

	2021									
	Program Services					Supporting Activities				
	Field Operations and Volunteers	Public Programs and Events	Design and Construction	Total	Management and General	Fundraising	Total	Direct Costs of Special Events	Total Expenses	
Salaries	\$ 1,436,798	\$ 408,059	\$ -	\$ 1,844,857	\$ 430,753	\$ 342,897	\$ 773,650	\$ -	\$ 2,618,507	
Payroll taxes and employee benefits	311,714	88,529	-	400,243	93,451	74,392	167,843	-	568,086	
Personnel grant to NYC Parks	850,777	-	-	850,777	-	-	-	-	850,777	
Total personnel and fringe	2,599,289	496,588	-	3,095,877	524,204	417,289	941,493	-	4,037,370	
Contractors, vendors and programmers	208,071	1,186,071	890,078	2,284,220	21,199	8,418	29,617	-	2,313,837	
Professional/consultant fees	22,296	22,869	-	45,165	217,841	6,021	223,862	-	269,027	
Park repair and maintenance	50,465	16,621	25,348	92,434	-	-	-	-	92,434	
Tools and supplies	215,624	59,684	-	275,308	27,325	-	27,325	-	302,633	
Vehicles and equipment	55,087	17,176	-	72,263	-	-	-	-	72,263	
Occupancy	37,176	10,558	-	47,734	11,146	8,872	20,018	-	67,752	
Exhibits rentals and other costs	-	-	-	-	-	-	-	103,205	103,205	
Printing, copying and signage	15,842	3,309	-	19,151	12,792	41,026	53,818	-	72,969	
Office and administrative	56,425	19,825	-	76,250	17,328	13,025	30,353	-	106,603	
Insurance	10,329	2,933	-	13,262	3,097	2,465	5,562	-	18,824	
Fees and licenses	40,596	39,863	-	80,459	65,140	9,881	75,021	-	155,480	
Depreciation	-	-	-	-	2,819	-	2,819	-	2,819	
Miscellaneous	2,750	9,900	-	12,650	1,582	16,881	18,463	-	31,113	
Total expenses	3,313,950	1,885,397	915,426	6,114,773	904,473	523,878	1,428,351	103,205	7,646,329	
Less: expenses deducted directly on the consolidated statement of activities	-	-	-	-	-	-	-	(103,205)	(103,205)	
Direct cost of special events	-	-	-	-	-	-	-	-	-	
Total expenses reported by function on the consolidated statement of activities	\$ 3,313,950	\$ 1,885,397	\$ 915,426	\$ 6,114,773	\$ 904,473	\$ 523,878	\$ 1,428,351	\$ -	\$ 7,543,124	

See notes to consolidated financial statements.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Consolidated Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (955,629)	\$2,030,766
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	3,806	2,819
Donated stocks	(1,333,314)	(1,509,275)
Proceeds from sale of donated stocks	1,333,314	1,509,275
Realized and unrealized (gain) loss on investments	464,517	(285,876)
(Increase) decrease in assets		
Contributions receivable	294,456	(562,776)
Prepaid expenses and other assets	882	(4,388)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	200,089	129,027
Deferred RPC – South maintenance fees and other	<u>(271,562)</u>	<u>486,899</u>
Net cash provided by (used in) operating activities	<u>(263,441)</u>	<u>1,796,471</u>
Cash flows from investing activities		
Expenditures for property and equipment	(339,934)	-
Purchases of investments	(1,409,404)	(2,048,653)
Proceeds from sale of investments	1,333,315	1,509,274
Net change in money market funds	<u>31,117</u>	<u>35,004</u>
Net cash (used in) investing activities	<u>(384,906)</u>	<u>(504,375)</u>
Net increase (decrease) in cash and cash equivalents	(648,347)	1,292,096
Cash and cash equivalents, beginning of year	<u>7,950,540</u>	<u>6,658,444</u>
Cash and cash equivalents, end of year	<u>\$7,302,193</u>	<u>\$7,950,540</u>

See notes to consolidated financial statements.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**Notes to Consolidated Financial Statements
December 31, 2022 and December 31, 2021****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 72nd Street to 153rd 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’s mission expanded to care for four additional 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 59th Street to 181st 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 employing a staff of more than two-dozen full-time, year-round gardeners and field technicians who provide specialized care to sustain the Park’s continuing restoration. It also directs an extensive corps of volunteers, one of the largest in the City of New York, who contribute thousands of hours of service to the Park landscapes each year.

The Conservancy runs two significant public programs: “Summer on the Hudson,” a series of hundreds of free public events, produced jointly with the New York City Department of Parks and Recreation, and a “Multi-Sport Summer Camp” for children and teens, which generates revenue for its operations by charging below-market participant fees. The camp offers need-based scholarships and tuition assistance.

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 97th Street along the Hudson River. The Conservancy is the sole member of the RTA, which has since expanded its mission to include year-round dedicated staff and seasonal public programming. Program participant fees support the care, maintenance, and programming of the courts.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**Notes to Consolidated Financial Statements (continued)
December 31, 2022 and December 31, 2021****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.

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, 2022 and December 31, 2021, 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, 2022 and December 31, 2021****Note 2 – Summary of significant accounting policies (continued)**Allowance for doubtful accounts

As of December 31, 2022 and December 31, 2021, 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 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. For the year ended December 31, 2022, the Conservancy wrote off fully depreciated and amortized leasehold improvements of \$20,350.

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.

Revenue recognition

RPC-South maintenance fees are recognized as revenue when the Conservancy incurs expenses related to the agreement with Riverside South Property Owners Association, Inc. Amounts received in advance of such revenue recognition are reflected as deferred revenue on the consolidated statement of financial position. Sports camp and RCTA program participant fees are recognized as revenue over the applicable period.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**Notes to Consolidated Financial Statements (continued)
December 31, 2022 and December 31, 2021****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, 2022. 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, 2022 and December 31, 2021**

Note 2 – Summary of significant accounting policies (continued)

Subsequent events

The Conservancy has evaluated events and transactions for potential recognition or disclosure through May 4, 2023, which is the date the consolidated financial statements were available to be issued.

Reclassifications

Certain items in the consolidated statement of functional expenses have been reclassified for comparative purposes only.

New accounting pronouncement

Effective January 1, 2022, FASB ASU No. 2016-02, *Leases* Topic 842 (“ASC 842”) became effective. ASC 842 requires a lessee to recognize a right-of-use (“ROU”) asset, which represents the right to use an asset for the lease term and a lease liability on the consolidated statement of financial position. The Conservancy has not recorded an ROU asset and lease liability due to the Conservancy’s annual rent being 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 has elected not to record leases with an initial term of 12 months or less on the consolidated statement of financial position.

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, 2022 and December 31, 2021 that are available to meet cash needs for general expenditures within one year of the consolidated statement of financial position date:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 7,302,193	\$ 7,950,540
Contributions receivable – current	<u>676,566</u>	<u>732,121</u>
Total financial assets	7,978,759	8,682,661
Less: Assets with perpetual donor restrictions	<u>(537,000)</u>	<u>(537,000)</u>
Total	<u>\$ 7,441,759</u>	<u>\$ 8,145,661</u>

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Notes to Consolidated Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 4 – Contributions receivable

Contributions receivable are unconditional promises to make donations to the Conservancy. The Conservancy discounts its receivable to their present value using rates of 3.25% and 4.75%. Contributions receivable are expected to be received as follows as of December 31, 2022 and December 31, 2021:

	<u>2022</u>	<u>2021</u>
Due within 1 year	\$ 676,566	\$ 732,121
Due within 1 to 5 years	<u>-</u>	<u>265,000</u>
Sub-total	676,566	997,121
Less: amount to reduce contributions receivable to their present value	<u>-</u>	<u>(26,099)</u>
Total	<u>\$ 676,566</u>	<u>\$ 971,022</u>

Note 5 – Investments

The following is a summary of the investments at fair value held by the Conservancy as of December 31, 2022 and December 31, 2021:

	<u>2022</u>	<u>2021</u>
Common stocks	\$ -	\$ 2,483
Vanguard growth ETF	1,674	2,504
Vanguard short-term bond index fund	140,584	148,965
Money market funds	152,552	183,669
Vanguard total stock market ETF	225,992	228,867
Vanguard long-term bond index fund	280,459	385,347
Vanguard 500 stock index fund	<u>1,212,987</u>	<u>1,481,958</u>
Total	<u>\$2,014,248</u>	<u>\$2,433,793</u>

Note 6 – Commitments

Office and storage space

The Conservancy leases office and storage space under non-cancelable operating leases expiring on October 31, 2025. 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, 2022 and December 31, 2021 is \$67,752.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE**Notes to Consolidated Financial Statements (continued)
December 31, 2022 and December 31, 2021****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, 2021 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 contribute to the Plan.

Note 8 – Litigation

The Conservancy is currently involved in legal proceedings arising in the ordinary course of business. The Conservancy believes it has defenses for these proceedings and is vigorously defending the actions. In the opinion of management, after consultation with outside legal counsel, the final disposition of these matters will not have a material effect on the Conservancy’s consolidated financial statements. In the above proceedings, 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 proceedings.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

Notes to Consolidated Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 9 – Net assets with donor restrictions

Temporary donor restrictions

The Conservancy has the following temporary donor restrictions: donor-restricted funds, user group funds, and restricted investment income. Donor-restricted funds are monies received with specific instructions from the donor, which may include purpose restrictions (e.g., funding for a specific program or initiative) and time restrictions (e.g., funds must be spent within a certain timeframe). User group funds are typically set aside for a specific area of the park or facility and are purpose-restricted, meaning they can only be used for certain designated purposes within that area. Finally, restricted investment income is income earned on funds that are restricted by donors or by legal or contractual agreements. These funds can only be used for certain purposes, as defined by the restrictions placed upon them.

The following summarizes the changes in net assets with temporary donor restrictions for the years ended December 31, 2022 and December 31, 2021:

	2022			
	Balance, December 31 2021	Contributions and investment return	Net assets released	Balance, December 31 2022
Donor restricted (purpose and time restricted)	\$ 4,535,085	\$ 1,710,023	\$ (2,651,538)	\$ 3,593,570
User group funds (purpose restricted)	388,339	59,544	(57,798)	390,085
Restricted investment return	<u>729,876</u>	<u>(227,796)</u>	<u>(50,109)</u>	<u>451,971</u>
Total	<u>\$ 5,653,300</u>	<u>\$ 1,541,771</u>	<u>\$ (2,759,445)</u>	<u>\$ 4,435,626</u>
	2021			
	Balance, December 31 2020	Contributions and investment return	Net assets released	Balance, December 31 2021
Donor restricted (purpose and time restricted)	\$ 3,576,356	\$ 2,588,192	\$ (1,629,463)	\$ 4,535,085
User group funds (purpose restricted)	397,154	40,581	(49,396)	388,339
Restricted investment return	<u>533,508</u>	<u>202,539</u>	<u>(6,171)</u>	<u>729,876</u>
Total	<u>\$ 4,507,018</u>	<u>\$ 2,831,312</u>	<u>\$ (1,685,030)</u>	<u>\$ 5,653,300</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.

RIVERSIDE PARK CONSERVANCY, INC. AND AFFILIATE

**Notes to Consolidated Financial Statements (continued)
December 31, 2022 and December 31, 2021**

Note 9 – Net assets with donor restrictions (continued)

Perpetual donor restrictions – endowment funds (continued)

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.

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, 2022, and December 31, 2021.

The net assets with perpetual donor restrictions consist of the following as of December 31, 2022, and December 31, 2021:

103 rd and 107 th 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 th Street	50,000
Ralph Ellison Memorial	50,000
Firemen’s Memorial Island	12,000
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.