City Parks Foundation

Financial Statements

December 31, 2023 and 2022

Independent Auditors' Report

Board of Directors
City Parks Foundation

Opinion

We have audited the accompanying financial statements of City Parks Foundation, which comprise the statement of financial position as of December 31, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City Parks Foundation as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City Parks Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 City Parks Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

PKF O'CONNOR DAVIES, LLP
245 Park Avenue, New York, NY 10167 I Tel: 212.867.8000 or 212.286.2600 I Fax: 212.286.4080 I www.pkfod.com

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 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, if they would influence the judgment made by a reasonable user based on the 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City Parks Foundation'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 City Parks Foundation'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.

Report on Summarized Comparative Information

We have previously audited City Parks Foundation's December 31, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 29, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

June 24, 2024

City Parks Foundation

Statement of Financial Position
December 31, 2023
(with comparative amounts at December 31, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	$ 8,056,547	$ 8,150,716
Assets limited as to use	4,498,037	4,447,884
Investments	24,444,433	22,702,596
Contributions and grants receivable, net	3,673,367	2,502,512
Other receivables	253,274	320,788
Property, plant and equipment, net	31,752	-
Prepaid expenses and other assets	42,032	41,263
	$ 40,999,442	$ 38,165,759
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 2,686,785	$ 2,093,354
Deferred revenue	701,750	652,800
Total Liabilities	3,388,535	2,746,154
Net Assets		
Without Donor Restrictions		
Operating	42,326	142,569
Board designated fund	10,830,706	10,241,173
Total Without Donor Restrictions	10,873,032	10,383,742
With donor restrictions	26,737,875	25,035,863
Total Net Assets	37,610,907	35,419,605
	$ 40,999,442	$ 38,165,759

See notes to financial statements

City Parks Foundation

Statement of Activities
Year Ended December 31, 2023
(with summarized totals for the year ended December 31, 2022)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Total	2022 Total
SUPPORT AND REVENUE				
Contributions and grants	$ 486,458	$ 13,459,374	$ 13,945,832	$ 15,130,169
Fundraising events, net of costs of direct benefits to donors of $605,957 in 2023 and $512,639 in 2022	891,538	531,638	1,423,176	1,308,999
Benefit concerts	2,380,712	-	2,380,712	1,960,322
Contributions of nonfinancial assets	3,357,264	-	3,357,264	3,077,689
Investment return	2,046,004	1,937,280	3,983,284	(4,732,683)
Earned income	3,827,394	-	3,827,394	3,621,640
Paycheck Protection Program loan forgiveness	-	-	-	1,000,605
Net assets released from donor restrictions	14,226,280	(14,226,280)	-	-
Total Support and Revenue	27,215,650	1,702,012	28,917,662	21,366,741
EXPENSES				
Program Services				
Arts and Culture	9,056,846	-	9,056,846	9,705,814
Partnerships for Parks	4,711,186	-	4,711,186	4,451,855
Education programs	1,300,839	-	1,300,839	1,188,574
Sports	1,716,253	-	1,716,253	1,476,692
Fiscal sponsorships	3,132,547	-	3,132,547	3,660,733
Grants and coalition building	2,597,080	-	2,597,080	2,533,451
Environmental benefit projects	77,208	-	77,208	30,623
Total Program Services	22,591,959	-	22,591,959	23,047,742
Supporting Services				
General and administrative	2,083,475	-	2,083,475	2,233,965
Fundraising	1,093,562	-	1,093,562	944,914
Total Supporting Services	3,177,037	-	3,177,037	3,178,879
Total Expenses	25,768,996	-	25,768,996	26,226,621
Change in Net Assets Before Net Asset Transfer	1,446,654	1,702,012	3,148,666	(4,859,880)
Net asset transfer	(957,364)	-	(957,364)	(2,023,842)
Total Change in Net Assets	489,290	1,702,012	2,191,302	(6,883,722)
NET ASSETS				
Beginning of year	10,383,742	25,035,863	35,419,605	42,303,327
End of year	$ 10,873,032	$ 26,737,875	$ 37,610,907	$ 35,419,605

See notes to financial statements

City Parks Foundation

Statement of Functional Expenses
Year Ended December 31, 2023
(with summarized totals for the year ended December 31, 2022)

	2023													
	Program Services								Supporting Services					
	Arts and Culture	Partnerships for Parks	Education Programs	Sports	Fiscal Sponsorships	Grants and Coalition Building	Environmental Benefit Projects	Total	General and Administrative	Fundraising	Direct Costs of Fundraising Events	Total	Total	2022 Total
Salaries	$ 3,029,684	$ 1,266,508	$ 897,622	$ 1,216,060	$ 30,000	$ 408,965	$ -	$ 6,848,839	$ 825,875	$ 779,889	$ -	$ 1,605,764	$ 8,454,603	$ 7,516,014
Payroll taxes and employee benefits	903,441	283,200	247,842	267,799	8,725	114,070	-	1,825,077	245,272	187,173	-	432,445	2,257,522	1,927,785
Total Salaries and Related Expenses	3,933,125	1,549,708	1,145,464	1,483,859	38,725	523,035	-	8,673,916	1,071,147	967,062	-	2,038,209	10,712,125	9,443,799
Artist fees	1,513,329	19,844	-	-	57,361	-	-	1,590,534	-	-	-	-	1,590,534	1,694,247
Consultants and professional fees	1,492,511	60,263	15,583	122,722	1,704,983	205,994	77,208	3,679,264	121,886	52,605	-	174,491	3,853,755	4,892,423
Grants	-	71,537	-	-	-	1,838,830	-	1,910,367	-	-	-	-	1,910,367	2,370,363
Supplies	2,720	305,935	30,512	25,733	692,813	34	-	1,057,747	7,407	167	-	7,574	1,065,321	934,515
Equipment	1,382,485	5,945	25,244	27,663	410,376	-	-	1,851,713	10,004	-	-	10,004	1,861,717	2,599,607
Awards and recognition	-	4,094	4,473	8,393	22,162	-	-	39,122	2,115	-	-	2,115	41,237	26,249
Promotion and advertising	32,152	8,573	-	443	148,220	-	-	189,388	414,703	8	-	414,711	604,099	538,685
Telecommunications	11,424	6,974	2,401	1,693	2,651	625	-	25,768	5,465	-	-	5,465	31,233	26,750
Meetings and seminars	5,986	28,801	9,913	2,780	6,159	615	-	54,254	30,265	-	-	30,265	84,519	65,143
Postage and shipping	177	-	81	23	1,767	-	-	2,048	888	650	-	1,538	3,586	3,953
Insurance	74,541	-	3,441	4,932	7,108	-	-	90,022	46,545	-	-	46,545	136,567	115,017
Travel and entertainment	17,078	7,146	12,374	24,702	10,472	54	-	71,826	19,904	15,002	605,957	640,863	712,689	604,436
Dues, fees and technology	39,703	9,257	4,797	13,310	29,750	27,893	-	124,710	209,548	17,841	-	227,389	352,099	346,384
In-kind expense	543,678	2,633,109	46,556	-	-	-	-	3,223,343	93,694	40,227	-	133,921	3,357,264	3,077,689
Depreciation	7,937	-	-	-	-	-	-	7,937	-	-	-	-	7,937	-
Bad debt expense	-	-	-	-	-	-	-	-	49,904	-	-	49,904	49,904	-
Total Expenses	9,056,846	4,711,186	1,300,839	1,716,253	3,132,547	2,597,080	77,208	22,591,959	2,083,475	1,093,562	605,957	3,782,994	26,374,953	26,739,260
Less costs with direct benefit to donors	-	-	-	-	-	-	-	-	-	-	(605,957)	(605,957)	(605,957)	(512,639)
Total Expenses Reported by Function on the Statement of Activities	$ 9,056,846	$ 4,711,186	$ 1,300,839	$ 1,716,253	$ 3,132,547	$ 2,597,080	$ 77,208	$ 22,591,959	$ 2,083,475	$ 1,093,562	$ -	$ 3,177,037	$ 25,768,996	$ 26,226,621

See notes to financial statements

City Parks Foundation

Statement of Cash Flows
Year Ended December 31, 2023
(with comparative totals for the year ended December 31, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,191,302	$ (6,883,722)
Adjustments to reconcile change in net assets net cash from operating activities:		
Depreciation	7,937	-
Bad debt expense	49,904	-
Realized (gain) loss on sales of investments	(656,119)	365,494
Unrealized (gain) loss on investments	(2,459,423)	4,887,279
Forgiveness of Paycheck Protection Program loan	-	(1,000,605)
Changes in operating assets and liabilities:		
Contributions and grants receivable	(1,170,855)	(42,545)
Other receivables	17,610	(291,692)
Prepaid expenses and other assets	(769)	1,665
Accounts payable and accrued expenses	593,431	508,246
Deferred revenue	48,950	(809,487)
Net Cash from Operating Activities	(1,378,032)	(3,265,367)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(615,912)	(11,072,840)
Proceeds from sales of investments	1,989,617	12,374,354
Purchases of property, plant and equipment	(39,689)	-
Net Cash from Investing Activities	1,334,016	1,301,514
Net Change in Cash, Cash Equivalents and Restricted Cash	(44,016)	(1,963,853)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning of year	12,598,600	14,562,453
End of year	$ 12,554,584	$ 12,598,600
CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	$ 8,056,547	$ 8,150,716
Restricted cash - Assets limited as to use	4,498,037	4,447,884
Total	$ 12,554,584	$ 12,598,600
NON-CASH FINANCING ACTIVITY		
Forgiveness of Paycheck Protection Program loan	$ -	$ 1,000,605

See notes to financial statements

1. Nature of the Organization and Tax Status

City Parks Foundation ("CPF") was organized as a nonprofit corporation in 1989 pursuant to the Not-For-Profit Corporation Laws of the State of New York. CPF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. CPF was formed to promote and assist in the programming and revitalization of New York City's parks and such other facilities that are under the jurisdiction of the New York City Department of Parks and Recreation ("DPR").

CPF is dedicated to invigorating and transforming parks into dynamic, vibrant centers of urban life through sports, arts, community building and education programs for all New Yorkers. CPF's programs – located in more than 300 parks, recreation centers and public schools across New York City – reach 275,000 people in a typical year. CPF's ethos is simple: thriving parks mean thriving communities.

In June 1991, CPF and the City of New York's Commissioner of the DPR entered into an agreement whereby the City of New York would "defend, indemnify, and hold harmless CPF from and against any and all liability, suits, claims, demands, actions, judgments, costs and expenses, arising from damage to persons or property resulting from the acts or omissions of CPF, its agents, employees, officers and directors in connection with the performance of its activities on behalf of DPR. This agreement is terminable at will by DPR.

CPF's primary sources of revenues are contributions and grants, earned income and investment income.

Components of Program Services

CPF enriches the lives of New Yorkers each year by providing the following program services:

- Arts and Culture: CityParks Shows plays a central role in activating CPF's mission to create vibrant and healthy urban communities through dynamic programming in parks for all New Yorkers. CityParks Shows brings hundreds of live music, dance and theater performances to communities throughout New York City's five boroughs. The SummerStage festival typically presents over 200 artists presenting free performances and benefit concerts each year in 12-15 parks throughout the city, ranging from indie, reggae, afrobeat, soul, modern dance, latin and much more. The Swedish Cottage Marionette Theatre, home to one of the last public marionette companies in the U.S., presents modern takes on classic fairy tales, and the traveling PuppetMobile presents family-friendly puppet shows and workshops outdoors around the city, free of charge.

1. Nature of the Organization and Tax Status *(continued)*

Components of Program Services (continued)

- Partnerships for Parks: Partnerships for Parks ("PFP" or "CityParks Build"), a joint program with DPR, promotes community involvement in parks by building, linking and strengthening a citywide constituency of parks' supporters. Each year, PFP supports and empowers a growing network of community groups and volunteers dedicated to promoting their local parks and improving the surrounding communities. Through direct engagement, intensive training and technical assistance, and practical toolkits, CPF enables citizens to play an active and effective role in decisions regarding their local green spaces.

- Education programs: City Parks Learn plays a central role in activating CPF's mission to create vibrant and healthy urban communities through dynamic outdoor programming for all New Yorkers. CPF's environmental education programs help students experience the fun of science, while learning about their relationship to the natural world and the ways in which they can protect our natural environment. CPF provides environmental science programs for elementary, middle and high school students throughout New York City.

- Sports: City Parks Play has a central role in activating CPF's mission to create vibrant and healthy urban communities through dynamic programming in parks for all New Yorkers. CPF serves kids and seniors in New York City's neighborhood parks with free sports programs including tennis, soccer, golf, track and field, and multi-sport instruction, and more. CPF helps residents of New York City stay active and healthy, discover new sports, and make new friends.

- Fiscal sponsorships: As fiscal sponsor for a number of New York City parks groups and DPR programs, CPF helps improve the appearance and use of parks through direct physical enhancements, encouragement of neighborhood volunteers, and innovations in DPR operations.

- Grants and coalition building: CityParks Build supports the NYC Green Fund which works to build an equitable and resilient network of parks and open spaces to benefit the well-being of all New Yorkers through grant-making and coalition building. CPF provides funding and technical assistance to community groups and nonprofits that care, program, and build awareness of the needs of New York City's open spaces. In 2023 and 2022, CPF directly distributed 130 and 158 grants totaling $1,838,830 and $2,265,925 and provided technical support to 50 park groups through the NYC Parks and Open Space Partners coalition

- Environmental benefit projects: As the administrator of mitigation funds from the New York State Department of Environmental Conservation ("DEC"), CPF funds environmental benefit projects that address green infrastructure, such as the creation and/or improvement of open space, waterfront access, and other programs along Newtown Creek and the East River (see Note 15).

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the impairment model for most financial assets and required the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on January 1, 2023 did not have a material effect on the financial statements.

Net Asset Presentation

CPF maintains its net assets under the following two classes:

Without donor restrictions – includes the net assets that are available for the general support of CPF's operations. Net assets without donor restrictions may be used at the discretion of CPF's management and Board of Directors (the "Board"). The Board has designated a portion of CPF's net assets without donor restrictions as a Board designated endowment fund, wherein the assets will be retained for investment. CPF's management hopes that the Board designated endowment fund will continue to grow to secure the long-term stability of CPF.

With donor restrictions – represent amounts restricted by donors to be used for specific activities or at some future date, or which require CPF to maintain in perpetuity the income of which can be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Income and gains earned on endowment fund investments are available to be used in the "with donor restrictions" or "without donor restrictions" net asset classes based upon stipulations by the donors.

2. Summary of Significant Accounting Policies *(continued)*

Cash Equivalents and Restricted Cash ("Assets Limited as to Use")

All highly liquid debt instruments with a maturity of three months or less when acquired are considered to be cash equivalents. Cash equivalents also include money market funds, commercial paper and time deposits with maturities of one day to three months. Cash and cash equivalents do not include cash and investments whose use is limited.

Assets limited as to use primarily include funds set aside from the DEC to finance environmental benefit projects in communities in and around Greenpoint, Brooklyn, along Newtown Creek and the East River.

Investments Valuation

Investments are carried at fair value.

Fair Value Measurements

CPF follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Investment Income Recognition

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Contributions and Grants Receivable

Contributions and grants receivable that are expected to be collected within one year are recorded at net realizable value. Contributions and grants receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and grants on the statement of activities. Conditional contributions and grants are not included as support until the conditions are substantially met.

CPF determines an allowance for doubtful accounts based upon prior experience and management's assessment of the receivables. As of December 31, 2023 and 2022, the allowance for doubtful accounts was $20,000.

2. Summary of Significant Accounting Policies *(continued)*

Equipment

Equipment is capitalized for purchases exceeding $5,000 and recorded at cost. CPF capitalizes items that they hold and retain title to throughout its useful life. Items that are purchased that CPF does not hold or retain title to are expensed on the statement of activities. Depreciation of equipment is provided on a straight-line basis over its estimated useful life, which is five years.

Impairment of Long-Lived Assets

Long-lived assets such as property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. CPF records impairment losses on long lived assets used in operations when the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. No impairment charges were required to be recognized during the years ended December 31, 2023 and 2022.

Conditional Asset Retirement Obligations

CPF accounts for Conditional Asset Retirement Obligations ("CARO") in accordance with U.S. GAAP, which defines a conditional asset retirement obligation as a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Uncertainty with respect to the timing and/or method of settlement of the asset retirement obligation does not defer recognition of a liability. The fair value of the CARO is recorded on a discounted basis and accreted over time for the change in fair value. Management has determined that there are no CARO liabilities that are required to be recorded.

Earned Income and Deferred Revenue

CPF receives earned income primarily from six sources: 1) income from producing concerts and other events for third parties at the SummerStage site; 2) box office revenues from marionette theater shows in the Swedish Cottage Marionette Theatre in Central Park; 3) income from children's birthday parties and other events in the Swedish Cottage Marionette Theatre in Central Park; 4) fees earned from the administration of fiscal sponsor accounts for various parks groups and DPR programs/funds; 5) fees from providing educational programming for schools and community groups; and 6) concession revenue from the sales of food and beverages at SummerStage is primarily generated from a sublicensed concessionaire that remits payments to CPF per contracted terms. Such amounts are deferred and recognized as revenue in the period in which the underlying services are provided and/or the performance or events are held. Deferred revenue also includes fees received by fiscal year-end for performances or events occurring in the next fiscal period and administrative fees to be earned on mitigation projects (see Note 15).

2. Summary of Significant Accounting Policies *(continued)*

Earned Income and Deferred Revenue (continued)

In addition, CPF received an advance in connection with supplemental funding to the Shuttered Venue Operations Grant ("SVOG") of $1,150,857 during 2021. This revenue was recognized during 2022, as reflected on the statement of activities for the year ended December 31, 2022.

As of January 1, 2022, contract assets consisted of other receivables of $29,096. Contract liabilities consisted of deferred revenue of $1,462,287, as of January 1, 2022.

Contributions and Grants

Contributions and grants, which include unconditional promises to give, are recognized as revenue in the period received. Unconditional promises to give are recognized as grants and contributions revenue in the period such promises are made by donors. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Contributions of Nonfinancial Assets

CPF received donated contributions and services as follows for the years ended December 31:

	2023	2022	Utilization in Program/Activities	Donor Restrictions	Valuation Techniques and Inputs
Personnel service costs	$ 2,949,599	$ 2,681,626	Program, General and Administration	None	(a)
Office space	294,537	294,537	Program, General and Administration	None	(b)
Telecommunications and computer support	113,128	101,526	Program, General and Administration	None	(c)
	$ 3,357,264	$ 3,077,689			

(a) The services relate to work performed by the Department of Parks and Recreation. The fair value of the services is based on current rates for similar services, including an estimate of reasonable fringe benefits.

(b) Fair value is based on the square footage of office space from the Department of Parks and Recreation.

(c) Fair value is based on estimates of wholesale values that would be received for selling similar products in the United States.

Periodically, CPF enters into barter/reciprocal transactions, where it exchanges advertising space within its electronic and social media, or on-site signage and promotion at SummerStage, for reciprocal advertising space or traffic or marketing and social media support. Revenue from barter transactions is recognized during the period in which the advertisements are displayed by CPF. No gain or loss is recorded from barter transactions as the revenue recognized equals the advertising costs incurred. For the years ended December 31, 2023 and 2022, CPF entered into several such arrangements for which no revenue or expense was recognized as sufficient evidence of fair value was indeterminable.

2. Summary of Significant Accounting Policies *(continued)*

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management. CPF allocated direct costs to its six main program services: Arts and Culture, Partnerships for Parks, Education Programs, Sports, Fiscal Sponsorships, Grants and Coalition Building and Environmental Benefit Projects. Allocated expenses among program services and general and administrative include salaries, payroll taxes and employee benefits, information technology, and occupancy, which are allocated based on time and costs where efforts are made. All other operating expenses are deemed to be program related.

Fiscal Sponsorships

CPF has variance power over the fiscal sponsorship contributions it receives. The fiscal sponsorship contributions received by CPF and investment return allocated to fiscal sponsorship funds are recognized under contributions and grants on the statement of activities as with donor restrictions. The expenditures incurred for fiscal sponsorships are recognized as expenses by CPF and the corresponding net assets are released from donor restrictions.

Advertising Costs

Advertising costs are expensed when incurred. Advertising costs for the years ended December 31, 2023 and 2022 were $604,099 and $538,685.

Prior Year Summarized Financial Information

The financial statements include prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with CPF’s financial statements as of and for the year ended December 31, 2022, from which the summarized information was derived.

Accounting for Uncertainty in Income Taxes

CPF recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that CPF has no uncertain tax positions that would require financial statement recognition or disclosure. CPF is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to December 31, 2020.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 24, 2024.

3. Concentrations of Credit Risk

Financial instruments that potentially subject CPF to a concentration of credit risk include cash and cash equivalents, assets limited as to use, investments and contributions and grants receivable. At times, the cash balance exceeded the Federal Deposit Insurance Corporation ("FDIC") insurance limits. The FDIC provides deposit insurance coverage of up to $250,000 per depositor. As of December 31, 2023, and 2022, there was approximately $4.5 million and $6.7 million of cash accounts with banks that exceeded FDIC limits. Contributions and grants receivable are expected to be collected in the normal course of business.

In addition, CPF's cash and cash equivalents includes funds held in Vanguard money market mutual funds that are not insured by the FDIC which amounted to approximately $6.8 million and $1.5 million as of December 31, 2023, and 2022.

As of December 31, 2023, and 2022, one donor comprised 61% and 38% of contributions and grants receivable.

As of December 31, 2023, concentrations of CPF's investments amounting to 28% or more of the fair value of its total investment portfolio included approximately 49% invested in a stock market index fund, approximately 16% invested in the international stock index fund, and approximately 17% invested in the core bond fund. As of December 31, 2022, concentrations of CPF's investments amounting to 15% or more of the fair value of its total investment portfolio included approximately 48% invested in a stock market index fund, approximately 17% invested in the international value fund, approximately 18% invested in the core bond fund.

4. Investments

Investments consisted of the following as of December 31:

	2023	2022
Equity funds	$ 16,008,862	$ 14,641,371
Fixed income funds	8,435,571	8,061,225
	$ 24,444,433	$ 22,702,596

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

	2023	2022
Interest and dividends, net	$ 867,742	$ 520,090
Realized gain (loss) on sales of investments	656,119	(365,494)
Unrealized gain (loss) on investments	2,459,423	(4,887,279)
	$ 3,983,284	$ (4,732,683)

4. Investments *(continued)*

Financial assets carried at fair value at December 31, 2023 and 2022 were classified in the table below as Level 1 as follows:

	2023	2022
Equity Funds:		
Stock market index fund	$ 11,989,656	$ 10,873,649
International stock index fund	4,019,206	3,767,722
Total Equity Funds	16,008,862	14,641,371
Fixed Income Funds:		
Core bond fund	4,228,318	3,993,221
Short-term treasury index fund	2,072,765	2,035,800
Short-term investment grade fund	2,134,488	2,032,204
Total Fixed Income Funds	8,435,571	8,061,225
Total Investments	$ 24,444,433	$ 22,702,596

CPF assumes that any transfers between fair value levels during the period occur at the beginning of the period. For the years ended December 31, 2023 and 2022, there were no significant transfers between fair value levels.

5. Contributions and Grants Receivable

Contributions and grants receivable amounted to $3,673,367 and $2,502,512 as of December 31, 2023 and 2022. The receivables are comprised of the following at December 31:

	2023	2022
Amounts due in		
Less than one year	$ 3,243,367	$ 2,522,512
Between two and four years	450,000	-
Allowance for unfulfilled promises to give	(20,000)	(20,000)
	$ 3,673,367	$ 2,502,512

CPF determines whether an allowance for uncollectible pledges and grants receivable should be provided based on prior years' experience and management's analysis of specific promises made.

Management determined a present value discount would be immaterial and elected not to recognize a discount.

6. Property, Plant and Equipment

Property, plant and equipment consists of the following at December 31:

	2023	2022
Equipment	$ 131,364	$ 91,675
Accumulated depreciation	(99,612)	(91,675)
Equipment, net	$ 31,752	$ -

7. Paycheck Protection Program ("PPP") Loan

On February 1, 2021, CPF received second draw PPP loan proceeds in the amount of $1,000,605. CPF used all the second draw proceeds received in accordance with regulations established by the PPP. On July 19, 2022, CPF received notice that the second draw of $1,000,605 was forgiven by the Small Business Administration, which is reflected as PPP loan forgiveness on the 2022 statement of activities.

8. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes at December 31:

	2023	2022
Subject to expenditure for specified purpose and time:		
Arts and Culture	$ 289,040	$ 327,816
Partnerships for Parks	4,934,733	4,224,901
Education programs	435,114	244,849
Sports	3,770,838	3,192,265
Grants and coalition building	2,155,585	1,361,998
Fiscal sponsorships	10,545,547	11,115,375
Environmental benefit projects (Note 15)	4,492,036	4,428,259
Capital projects	24,582	-
Time restricted	-	50,000
Total Subject to Expenditure for Specified Purpose and Time	26,647,475	24,945,463
Endowments subject to CPF's spending policy and appropriation:		
Investment in perpetuity (original amount of $90,400 in 2023 and 2022), income of which, once appropriated, is expendable to support:		
Nobel Monument	84,000	84,000
Seaman Veteran's Monument	6,400	6,400
Total Endowments Subject to CPF's Spending Policy and Appropriation:	90,400	90,400
Total Net Assets with Donor Restrictions	$ 26,737,875	$ 25,035,863

9. Net Assets Released from Donor Restrictions

Net assets with donor restrictions were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors, as follows during the years ended December 31:

	2023	2022
Arts and Culture	$ 4,021,757	$ 3,759,769
Partnerships for Parks	1,636,673	721,900
Education programs	713,207	748,856
Sports	1,114,366	879,239
Grants and coalition building	2,421,446	2,846,014
Fiscal sponsorships	4,190,153	5,724,716
Time restriction	50,000	50,000
Environmental benefit projects (Note 15)	77,208	30,623
Capital projects	1,470	-
	$ 14,226,280	$ 14,761,117

10. Endowment Net Assets

Interpretation of Relevant Law

CPF has interpreted the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary, and except in those cases where the law allows appropriation for spending of the original gift amounts. As a result of this interpretation, CPF retains in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not retained in perpetuity is subject to appropriation for expenditure by CPF in a manner consistent with the standard of prudence prescribed by NYPMIFA.

Return Objectives and Risk Parameters

CPF’s endowment investment policy is to invest primarily in a mix of equities, fixed income securities and cash equivalents based on an asset allocation to satisfy its overall endowment financial and investment objectives as determined by its investment policy. The investment policy provides for an asset allocation that is designed to meet the goals of CPF and is based on a number of factors including the projected spending needs, the maintenance of sufficient liquidity and the return objectives and risk tolerances of CPF.

The asset allocation plan provides for diversification of assets in an effort to maximize the investment return and manage risk of CPF consistent with market conditions. CPF relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

10. Endowment Net Assets *(continued)*

Spending Policy

It is CPF's policy to annually spend 5% of the Board's designated endowment based upon a three-year moving average, if needed, for operational purposes and a policy for distribution in accordance with the endowment donor specifications.

Funds with Deficiencies

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 NYPMIFA requires CPF to retain as a fund of perpetual duration. CPF had not incurred such deficiencies in its endowment funds as of December 31, 2023 and 2022.

Changes in endowment net assets for the year ended December 31, 2023 were as follows:

	2023			
	Without Donor Restrictions: Board Designated	With Donor Restrictions: Purpose	With Donor Restrictions: Investments Held in Perpetuity	Total
Investment Activity:				
Interest and dividends	$ 297,433	$ 316,195	$ -	$ 613,628
Realized gain	313,517	342,602	-	656,119
Unrealized gain	1,180,940	1,278,483	-	2,459,423
Total Investment Activity	1,791,890	1,937,280	-	3,729,170
Releases from endowments	(1,202,357)	(787,260)	-	(1,989,617)
Endowment net assets, beginning of year	10,241,173	11,588,567	90,400	21,920,140
Endowment net assets, end of year	$ 10,830,706	$ 12,738,587	$ 90,400	$ 23,659,693

Changes in endowment net assets for the year ended December 31, 2022 were as follows:

	2022			
	Without Donor Restrictions: Board Designated	With Donor Restrictions: Purpose	With Donor Restrictions: Investments Held in Perpetuity	Total
Investment Activity:				
Interest and dividends	$ 244,634	$ 283,630	$ -	$ 528,264
Realized loss	(158,082)	(207,412)	-	(365,494)
Unrealized loss	(2,206,358)	(2,680,921)	-	(4,887,279)
Total Investment Activity	(2,119,806)	(2,604,703)	-	(4,724,509)
Releases from endowments	(288,677)	(2,316,291)	-	(2,604,968)
Endowment net assets, beginning of year	12,649,656	16,509,561	90,400	29,249,617
Endowment net assets, end of year	$ 10,241,173	$ 11,588,567	$ 90,400	$ 21,920,140

11. Special Events Revenue

CPF records gross receipts from special fundraising events that consist of exchange transaction revenue and contribution revenue. For the year ended December 31, 2023 net special events revenue totaled $1,423,176, which consisted of contributions for $1,192,426 and exchange transaction revenue for $230,750. For the year ended December 31, 2022 net special events revenue totaled $1,308,999, which consisted of contributions for $1,107,749 and exchange transaction revenue for $201,250.

12. Fiscal Sponsorships

CPF acts as fiscal sponsor to a number of groups and DPR, which engage in activities that are consistent with CPF's mission. CPF accepts tax-deductible donations on behalf of fiscally sponsored groups and DPR and administers the expenditures of those funds for designated tax-exempt charitable purposes. Fiscal sponsorship support is offered to community parks groups and DPR on a case by case basis, in situations in which there is no appropriate community-based 501(c)(3) organization that could otherwise act as a fiscal sponsor.

CPF's fiscal sponsorship of parks community groups (the "groups") is a temporary arrangement, during which time groups are expected to work towards obtaining their own 501(c)(3) designations. For this reason, fiscal sponsorship arrangements will have a specific end date. If at the end of the sponsorship period a group has failed to become a 501(c)(3), and there are unspent funds, the group must identify another fiscal sponsor or these funds will be retained by CPF and used to support CPF's parks-related programming. In addition, should an account show no activity for a one-year period, the account will be terminated and all remaining funds in the account will be spent by CPF on parks-related activities.

At the request of DPR, and with donor approval, CPF will transfer balances held for certain DPR programs to designated DPR fiduciary accounts. For the years ended December 31, 2023 and 2022, CPF transferred $957,364 and $2,023,842 of fiscal sponsor funds to fiduciary accounts administered by DPR. Such amounts are reflected as a net asset transfer in the accompanying statement of activities.

13. Contingencies and Commitments

Contingencies

Pursuant to CPF's contractual relationships with certain funding sources, outside governmental agencies have the right to examine CPF's books and records relating to these contracts. The accompanying financial statements make no provision for possible disallowances. Although such possible disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.

13. Contingencies and Commitments *(continued)*

Litigation

There are various legal proceedings currently pending against CPF. While it is not feasible to predict or determine with certainty the outcome of each case, it is the opinion of management in consultation with legal counsel that the outcomes will not have a material adverse effect on the accompanying financial statements.

Commitments

During 2023 and 2022, approximately 11% of CPF's employees were covered by a collective bargaining agreement. The labor contract with the Theatrical Protective Union Local One (the "Union") expired in April 2020 and a Memorandum of Agreement ("MOA") was executed and extended the collective bargaining agreement until April 2024. A new MOA was executed in April 2024 extending the collective bargaining agreement through March 1, 2029.

14. Employee Benefit Plans

Defined Contribution Plan

CPF has adopted a voluntary tax-sheltered annuity program under Section 403(b) of the Internal Revenue Code, as amended. Under the terms of the plan, employees are entitled to defer a portion of their annual compensation, within limitations established by the Internal Revenue Code. CPF may make discretionary matching contributions that can vary each year. During the years ended December 31, 2023 and 2022, CPF matched employee contributions up to 3% of gross compensation, amounting to $115,992 and $107,799.

Multiemployer Pension Plan

CPF contributed to the Union's multiemployer defined benefit pension plan (the "Plan") under the terms of a collective-bargaining agreement that covers its union-represented employees. The risks of participating in the multiemployer plan are different from a single-employer plan in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If an employer chooses to stop participating in some of its multiemployer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

14. Employee Benefit Plans *(continued)*

Multiemployer Pension Plan (continued)

CPF's participation in this type of plan for the years ended December 31, 2023 and 2022 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number ("EIN") for the Plan. The most recent Pension Protection Act ("PPA") zone status available is for the Plan's year-end at December 31, 2023. The zone status is based on information that CPF received from the Plan and is certified by the actuaries of the Plan. Among other factors, plans in the red zone are general less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP" Status/Implemented" column indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is pending or has been implemented. The last column lists the expiration date of the collective bargaining agreement to which the Plan is subject.

Pension Fund	EIN Number	Plan Number	Pension Protection Act Zone Status 2023	Pension Protection Act Zone Status 2022	FIP/RP Status Pending/ Implemented	Contributions by CPF 2023	Contributions by CPF 2022	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
Pension Fund of Local No. 1 of I.A.T.S.E.	13-6414973	001	Green	Green	Yes	$ 155,428	$ 147,900	No	3/1/2029

CPF's contributions into the Plan are less than 5% of the total Plan's contributions for the years ended December 31, 2023 and 2022.

Form 5500 is not yet available for the plan year ended December 31, 2023.

15. Mitigation Income

During the year ended March 31, 2010, CPF was approved for $7,000,000 of mitigation funds from DEC to finance environmental benefit projects ("EBPs") in communities in and around Greenpoint, Brooklyn, along Newtown Creek and the East River. CPF will organize and oversee a community input process to determine which EBPs will be funded. CPF is entitled to 10% of the mitigation funds disbursed for its general and administrative costs.

CPF received $4,000,000 from DEC in November 2009 and $3,000,000 in July 2010. The agreement with DEC stipulates that the funds shall be kept by CPF in a separate account and that CPF will apply the funds, and any accrued interest thereon, for the Greenpoint/Newtown Creek EBPs and not for any other purpose. In April 2013, CPF received an additional $1.2 million of mitigation funds from the New York State Energy Research Development Authority ("NYSERDA") of which CPF is entitled to 10% for its general and administrative costs in accordance with the project agreement. As of December 31, 2023 and 2022, the funds held by CPF for this purpose amounted to $4,498,037 and $4,447,884, and are reflected as assets limited as to use in the accompanying statement of financial position. Most of these amounts are also included in with donor restrictions as of December 31, 2023 and 2022 and will be released from restriction as amounts are disbursed by CPF for environmental benefit projects.

16. Related Party Transactions *(Not Disclosed Elsewhere)*

CPF transacts business with or contracts services with companies or individuals that may employ members of the Board or relatives of certain employees or members of the Board. The Board or employees are not involved in the transaction process and all such transactions are reported to and approved by the Board.

Related party transactions were recorded as professional fees. There were no related party transactions for the year ended December 31, 2023 and 2022.

17. Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2023	2022
Financial Assets:		
Cash and cash equivalents	$ 8,056,547	$ 8,150,716
Assets limited as to use	4,498,037	4,447,884
Investments	24,444,433	22,702,596
Contributions and grants receivable, net	3,673,367	2,502,512
Other receivables	253,274	320,788
Total Financial Assets	40,925,658	38,124,496
Less amounts not available to be used within one year:		
Board designated fund	10,830,706	10,241,173
Restricted by donor with purpose restrictions	11,222,475	9,520,463
Restricted by donor to be held in perpetuity	90,400	90,400
	22,143,581	19,852,036
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$ 18,782,077	$ 18,272,460

Liquidity Management

CPF endowment funds consist of funds designated by the Board as endowments and donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use in the absence of language from the donor.

The CPF board designated endowment of $10,830,706 and $10,241,173 is subject to an annual spending rate of 5% as described in Note 10. Although CPF does not intend to spend from the Board-designated fund, other than amounts appropriated for general expenditure as part of the annual budget approval and appropriation, these amounts could be made available if necessary.

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