

**Midtown Improvement and
Development Corporation
dba Midtown Parks Conservancy**

FINANCIAL STATEMENTS

December 31, 2019 and 2018



CRI CARR
RIGGS &
INGRAM

CPAs and Advisors

CRIcpa.com



Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Table of Contents
December 31, 2019 and 2018

	Page
REPORT	
Independent Auditors' Report.....	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses.....	5
Statements of Cash Flows	7
Notes to Financial Statements.....	8



Carr, Riggs & Ingram, LLC
Two Riverway, 15th Floor
Houston, TX 77056

(713) 621-8090
(713) 621-6907 (fax)
www.cricpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Houston, Texas

We have audited the accompanying financial statements of Midtown Improvement and Development Corporation dba Midtown Parks Conservancy (the "Conservancy"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 financial statements 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Midtown Improvement and Development Corporation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Car, Riggs & Ingram, L.L.C.

Houston, Texas
October 13, 2020

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Statements of Financial Position**

<i>December 31,</i>	2019	2018
Assets		
Cash and cash equivalents	\$ 2,127,198	\$ 2,597,446
Accounts receivable	73,268	15,346
Other assets	863	312
<hr/>		
Total assets	\$ 2,201,329	\$ 2,613,104
<hr/>		
Liabilities		
Accounts payable and accrued expenses	\$ 178,476	\$ 427,893
Commitments and contingencies (Note 9)		
Net assets		
Without donor restrictions	142,365	210,222
With donor restrictions	1,880,488	1,974,989
<hr/>		
Total net assets	2,022,853	2,185,211
<hr/>		
Total liabilities and net assets	\$ 2,201,329	\$ 2,613,104
<hr/>		

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

Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Statements of Activities

<i>For the years ended December 31,</i>	2019	2018
Changes in net assets without donor restrictions		
Revenues and support		
Contributions	\$ 864,118	\$ 899,774
In-kind contributions	462,722	-
Park rental revenue	80,661	34,195
Parking garage revenue	78,107	-
Investment income	574	379
Net assets released from restrictions	490,812	555,915
Total revenues and support	1,976,994	1,490,263
Expenses		
Program services		
Legacy improvements	388,614	372,227
Park series	845,573	696,575
Park - Art	285,495	287,119
Midtown Park garage	270,336	300,947
Total program services	1,790,018	1,656,868
Management and general	254,833	217,107
Fundraising	-	9,500
Total expenses	2,044,851	1,883,475
Decrease in net assets without donor restrictions	(67,857)	(393,212)
Changes in net assets with donor restrictions		
Grants and contributions	396,311	341,845
Net assets released from restrictions	(490,812)	(555,915)
Decrease in net assets with donor restrictions	(94,501)	(214,070)
Change in net assets	(162,358)	(607,282)
Net assets, beginning of year	2,185,211	2,792,493
Net assets, end of year	\$ 2,022,853	\$ 2,185,211

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

Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Statement of Functional Expenses

<i>For the year ended December 31, 2019</i>	Legacy			Midtown		Management	
	Improvements	Park Series	Park - Art	Parking Garage	Total Programs	and General	Total Expenses
Salaries and benefits	\$ 78,048	\$ 234,140	\$ 33,448	\$ 94,772	\$ 440,408	\$ 117,069	\$ 557,477
Services and professional fees	8,847	216,776	252,047	162,168	639,838	86,533	726,371
Office and occupancy	-	32,315	-	-	32,315	40,417	72,732
Travel and meeting	-	7,288	-	13,396	20,684	-	20,684
Insurance	-	-	-	-	-	10,814	10,814
Park programming	-	134,177	-	-	134,177	-	134,177
Maintenance expenses	301,719	220,877	-	-	522,596	-	522,596
Total expenses	\$ 388,614	\$ 845,573	\$ 285,495	\$ 270,336	\$ 1,790,018	\$ 254,833	\$ 2,044,851

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

Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Statement of Functional Expenses

<i>For the year ended December 31, 2018</i>	Legacy		Midtown			Management			
	Improvements	Park Series	Park - Art	Parking Garage	Total Programs	and General	Fund Raising	Total Expenses	
Salaries and benefits	\$ 67,706	\$ 204,526	\$ 27,045	\$ 84,613	\$ 383,890	\$ 127,309	\$ -	\$ 511,199	
Services and professional fees	12,326	276,137	260,074	187,696	736,233	37,828	9,500	783,561	
Office and occupancy	-	39,600	-	-	39,600	41,357	-	80,957	
Travel and meeting	-	-	-	28,638	28,638	-	-	28,638	
Insurance	-	-	-	-	-	10,613	-	10,613	
Park programming	-	136,863	-	-	136,863	-	-	136,863	
Maintenance expenses	292,195	39,449	-	-	331,644	-	-	331,644	
Total expenses	\$ 372,227	\$ 696,575	\$ 287,119	\$ 300,947	\$ 1,656,868	\$ 217,107	\$ 9,500	\$ 1,883,475	

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

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Statements of Cash Flows**

<i>For the years ended December 31,</i>	2019	2018
Operating activities		
Change in net assets	\$ (162,358)	\$ (607,282)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Change in operating assets and liabilities		
Accounts receivable	(57,922)	12,488
Other assets	(551)	-
Accounts payable and accrued expenses	(249,417)	111,596
Net cash used in operating activities	(470,248)	(483,198)
Net change in cash and cash equivalents	(470,248)	(483,198)
Cash and cash equivalents, beginning of year	2,597,446	3,080,644
Cash and cash equivalents, end of year	\$ 2,127,198	\$ 2,597,446

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

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Notes to Financial Statements**

Note 1: ORGANIZATION

Midtown Improvement and Development Corporation (MIDCorp), is a Texas not-for-profit organization and was formed on December 30, 2013. In October 2016, MIDCorp filed with the State of Texas to assume the name Midtown Parks Conservancy (the “Conservancy”). MIDCorp was formed to aid and assist Midtown Redevelopment Authority (the “Authority”) and Midtown Management District (the District) with the promotion, development, encouragement and maintenance of employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety and the public welfare in Midtown Houston. In addition, the Conservancy maintains and operates several Authority owned facilities including Midtown Park, Midtown Park Parking Garage and Bagby Park.

The Conservancy is currently conducting an \$8 million capital campaign to fund the enhancements and art installations included in the visionary master plan of Midtown Park.

The Conservancy’s primary sources of operating income are contributions from local government corporations and private corporate donors. Two contributors accounted for 99% and 97% of contribution revenue for the years ended December 31, 2019 and 2018, respectively. For the years ended December 31, 2019 and 2018, the Authority contributed an additional \$864,000 and \$890,000, respectively, to the Conservancy in contributions for general operations. This contribution was in addition to the Authority’s obligations under executed agreements (see Note 5). Effective April 2019, the Conservancy also received donated services from the Authority (see Note 2 and 8).

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs). The Conservancy reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets without Donor Restrictions— Net assets that are not subject to or are no longer subject to donor imposed stipulations.

Net Assets with Donor Restrictions— Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the amounts of reported revenues and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Conservancy considers demand deposit accounts and highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable

Accounts receivable represents amount owed to the Conservancy. An allowance for doubtful accounts is established based on a current review of the balances owed. The Conservancy considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts has been established. If amounts become uncollectible, they will be charged to operations when that determination is made.

Concentrations of Credit Risk

At various times during the years, the Conservancy's cash balances may exceed federally insured limits. The Conservancy has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents, due to the financial strength of the financial institution where deposits are held.

Fair Value Considerations

The Conservancy uses fair value to measure financial and certain nonfinancial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs-Level 3).

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The Conservancy did not elect the fair value option for the measurement of any eligible assets or liabilities. The Conservancy's financial instruments (primarily cash and cash equivalents, receivables, and liabilities) are carried in the accompanying statements of financial position at amounts which reasonably approximate fair value.

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Park rental revenue and parking garage revenue are accounted for under ASC Topic 606, *Revenue from Contracts with Customers (ASC 606)*, recognizing revenue when performance obligations under the terms of the contracts with the customers are satisfied, that is, when the event for which the park is rented occurs; or over a period of time (monthly) as the parking garage service is provided. See also Note 6.

Funding received from the Authority and the District is considered by management to be contributions in accordance with ASU 2018-08 (see further discussion under “newly adopted accounting pronouncements” in Note 2).

The Conservancy recognizes contributions when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (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 statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people who those skills, and would otherwise be purchased by the Conservancy. The Conservancy benefits from office space, certain equipment and certain staff services donated by the Authority. See Note 8.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The majority of the expenses can be directly identified with the program or supporting service to which they relate and are charged accordingly. Salaries and benefits, services and professional fees and office and occupancy have been allocated among the programs and supporting services benefited on the basis of estimates of time and effort.

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Notes to Financial Statements**

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Conservancy is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity under Section 509(a)(2).

The Conservancy accounts for uncertain tax positions, when it is more likely than not, that such an asset or a liability will be realized. As of December 31, 2019 and 2018, management believes there were no uncertain tax positions.

Newly Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry specific guidance.

Effective January 1, 2019, the Conservancy adopted ASU 2014-09. Analysis of various provisions of this standard resulted in no significant changes in the way the Conservancy recognizes revenue from park rental and the parking garage, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This new guidance is effective for transactions in which the Conservancy serves as a resource recipient for fiscal year beginning after December 15, 2018. Thus, on January 1, 2019, the Conservancy applied the provisions of this ASU on a modified prospective basis. There was no material impact on the Conservancy's financial statements based on adoption of this standard.

Recent Accounting Pronouncements

In February 2016, the FASB released an Accounting Standards Update (ASU) of Topic 842, Leases. This update requires that lessees and lessors should apply a right-of-use model in accounting for all leases, with certain exemptions. Under this model, the Conservancy would recognize an asset representing its right to use the leased property and a liability to make the lease payments. The standard is effective for nonpublic companies for reporting periods beginning after December 15, 2021. The Conservancy is in the process of evaluating the impact of the adoption of this ASU on its financial statements.

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Notes to Financial Statements**

Note 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Conservancy has a goal to maintain liquid financial assets to cover one year of general expenditures. The Conservancy receives unrestricted contributions from the Authority twice a year and strives to keep cash on hand to meet operating budget needs for 90 days. At December 31, 2019, the Conservancy has \$2,200,466 of financial assets available within one year of the statement of financial position date consisting of cash of \$2,127,198 and accounts receivable of \$73,268 of which \$1,657,059 of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. At December 31, 2018, the Conservancy had \$2,612,792 of financial assets available within one year of the statement of financial position date consisting of cash of \$2,597,446 and accounts receivable of \$15,346 of which \$1,832,918 of the financial assets were subject to donor or other contractual restrictions that made them unavailable for general expenditure within one year of the statement of financial position date.

Note 4: PROGRAM AND SUPPORTING SERVICES

The following program and supporting services are included in the statements of activities and statements of functional expenses:

- Legacy improvements are improvements to property owned by the Authority and the District under the management and maintenance agreement discussed in Note 5.
- Park series are programming responsibilities assumed over parks owned by the Authority under the management and maintenance agreement discussed in Note 5.
- Park – Art consists of costs of artists contracted for the design and installation of works of art in the parks owned by the Authority.
- Midtown Park garage consists of costs associated to manage, operate and maintain Midtown Park Parking Garage under the parking management agreement discussed in Note 6.
- Fundraising activities are directed at soliciting and receiving funds, gifts, and grants to enable the Conservancy to fulfill its purpose.
- Management and general consists of general supporting services that are necessary for the Conservancy’s daily operations and coordination of program activities.

Note 5: AGREEMENTS WITH MIDTOWN REDEVELOPMENT AUTHORITY AND MIDTOWN MANAGEMENT DISTRICT

In July 2015, MIDCorp and the Authority and the District entered into a Management and Maintenance Agreement. Also in July 2015, MIDCorp entered into an Operating Agreement with the Authority. The Authority is a public non-profit local government corporation created and organized under the provisions of Chapter 431, Texas Transportation Code, and authorized and approved by the City of Houston, Texas (the “City”) and the District is a special purpose district created under Chapter 3809, Texas Special District Local Laws.

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Notes to Financial Statements**

Note 5: AGREEMENTS WITH MIDTOWN REDEVELOPMENT AUTHORITY AND MIDTOWN MANAGEMENT DISTRICT (Continued)

Management and Maintenance Agreement

Under the terms of the Management and Maintenance Agreement, the Conservancy will provide management and maintenance services related to certain public improvements (the “Improvements”) that are beyond the maintenance responsibility of the City and are within the boundaries of the Service Area, as defined in the agreement. The Agreement is effective for ten years from July 1, 2015 and automatically renews in consecutive ten year periods.

Both the Authority and the District will budget and contribute funds annually to fund the maintenance obligations as defined in the agreement. Beginning February 1, 2016, the District shall make a contribution totaling \$200,000, and in each subsequent year, the District’s contribution shall be equal to the prior year’s contribution plus three percent subject to the District’s budget and approval. The Authority will provide an annual contribution equal to 25% of the annual District contribution beginning February 1, 2016. The Authority’s annual budget is subject to approval by City Council. Contributions from the District will be used to maintain, repair and replace, as needed, the Legacy Improvements as defined in the agreement. The Agreement was subject to amendment on or after July 1, 2018. However, as of the date of this report, no amendments has been made to the Agreement.

In addition, the Authority will also assist the Conservancy in establishing a Renewal and Replacement Fund, to which the Authority will budget and contribute a minimum of \$25,000 annually until the Renewal and Replacement Fund reaches five percent of the value of the Improvements in the Service Area. The value of the improvements is subject to reevaluation every five years.

Operating Agreement

Under the terms of the Operating Agreement, the Conservancy will operate, manage, maintain and preserve the Park Facilities (including Bagby Park, Midtown Park and Midtown Park Parking Garage), as defined in the agreement. The agreement is effective for 40 years and automatically renews for two consecutive 20 year periods. Under the terms of the Operating Agreement, the Authority shall pay an Annual Management Fee totaling \$250,000 per year for the first two years, then each year thereafter an amount not to exceed \$500,000 per year based on the Conservancy’s fiscal year 2019 Annual Operating Plan. Certain credits are applied towards the Annual Maintenance Fee based on excess facilities revenues as defined by the terms of the agreement. The Authority’s annual budget is subject to approval by City Council.

In addition, the Authority shall pay to the Conservancy for the first ten years of the Operating Agreement, \$50,000 to be applied to the Renewal and Replacement Fund as described in the Management and Maintenance Agreement.

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Notes to Financial Statements**

Note 6: PARKING MANAGEMENT AGREEMENT

Under the terms of the Parking Management Agreement, effective December 1, 2016, WINPARK Management, LLC (“WINPARK”) will manage, operate and maintain Midtown Park Parking Garage (“Garage”), as defined in the agreement. The agreement is effective for 5 years and can be extended for 1 year extension terms, upon written request. The Conservancy shall pay a monthly management fee totaling \$2,000, as amended on April 1, 2019. The amount of management fee shall not be increased before April 1, 2020, and is only subject to revision by mutual agreement of the parties. Under the terms of this agreement, WINPARK shall remit monthly receipts collected from charges for use of the parking facility net of operating expenses paid by WINPARK. If the monthly charges do not cover the monthly operating expenses, the Conservancy shall pay any deficit to WINPARK. The parking garage net receipts (deficit) for the years ended December 31, 2019 and 2018 totaled \$78,107 and (\$40,600), respectively and are included in Parking garage revenue and Midtown Park garage program expenses, respectively on the statements of activities.

Note 7: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

<i>December 31,</i>	2019	2018
Capital campaign	\$ 1,350,184	\$ 1,596,130
Renewal and replacement - Legacy Improvements	57,633	58,058
Renewal and replacement	249,242	178,730
Maintenance of Legacy Improvements	223,429	142,071
Total	\$ 1,880,488	\$ 1,974,989

Note 8: RELATED PARTY TRANSACTIONS

The Conservancy has an administrative contract with the Authority whereby the Authority provides administrative and management services to the Conservancy beginning January 1, 2016. The Authority provides office space, certain equipment and certain staff services to the Conservancy totaling approximately \$620,000 and \$723,000 for the years ended December 31, 2019 and 2018, respectively. Effective April 2019, the Conservancy entered into a verbal agreement with the Authority in which all services under the administrative contract would be provided in-kind by the Authority. The Conservancy recognized \$462,722 (fair value of the 2019 services) as an in-kind contribution. Therefore, no payable related to the shared services agreement was recorded at December 31, 2019. At December 31, 2018, approximately \$296,000, was payable to the Authority under this contract and is included in accounts payable in the accompanying statements of financial position.

The Conservancy provided maintenance and public improvements services to the Authority amounting to \$154,000 and \$128,000 for the years ended December 31, 2019 and 2018, respectively.

**Midtown Improvement and Development Corporation
dba Midtown Parks Conservancy
Notes to Financial Statements**

Note 8: RELATED PARTY TRANSACTIONS (Continued)

The Conservancy provided maintenance and public improvements services to the District amounting to \$243,000 and \$212,000 for the years ended December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018, approximately \$42,000 and \$15,000 was due from the District for reimbursable expenses.

At December 31, 2019, approximately \$18,000 was due from the Authority for expenses paid by the Conservancy on behalf of the Authority. In addition, a payable of approximately \$14,000 and \$8,000 was due to the Authority and the District, respectively, for miscellaneous expenses.

In addition, members of the Conservancy's board serve on the board of the Authority, the District and the Executive Director of both the Authority and the District.

Note 9: COMMITMENTS AND CONTINGENCIES

In 2018, the Conservancy entered into a contract of \$382,000 with an artist for creation and installation of original art in Midtown Park. Payments under the contract are made as work progresses in accordance with the terms of the agreement. At December 31, 2019, \$132,000 of such contract commitment has not yet been incurred.

In 2019, the Conservancy entered into a contract of \$35,000 with another artist also for creation and installation of original art in Midtown Park. Payments under the contract are made as work progresses in accordance with the terms of the agreement. At December 31, 2019, \$30,000 of such contract commitment has not yet been incurred.

Note 10: SUBSEQUENT EVENTS

The Conservancy has evaluated subsequent events through the date the financial statements were available for issuance on October 13, 2020. Except as noted below, no matters were noted requiring disclosure in the accompanying financial statements and disclosures.

The continued spread of the COVID-19 pandemic is affecting the United States economies and may affect the Conservancy's operations and those of organizations on which the Conservancy relies. The ultimate impact of the COVID-19 pandemic is highly uncertain and subject to change. The Conservancy does not yet know the full extent of potential impact on its operations. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.