

REGIONAL PLAN ASSOCIATION, INC.

**Financial Statements
for the year ended
June 30, 2020**

Independent Auditor's Report

Board of Directors of
Regional Plan Association, Inc.

We have audited the accompanying financial statements of Regional Plan Association, Inc. (the "Association") which comprise the statement of financial position as of June 30, 2020 and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 in the first paragraph on the previous page present fairly, in all material respects, the financial position of Regional Plan Association, Inc. as of June 30, 2020 and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Association's 2019 financial statements, and our report dated September 18, 2019 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Condon O'Meara McGinty & Donnelly LLP

September 15, 2020

REGIONAL PLAN ASSOCIATION, INC.

Statement of Financial Position

Assets

	June 30	
	2020	2019
Cash	\$ 1,644,361	\$ 1,642,239
Investments, at fair value	2,390,280	2,226,462
Pledges receivable	1,085,944	1,249,459
Prepaid expenses and deposits	15,206	13,801
Sub-total	<u>5,135,791</u>	<u>5,131,961</u>
Property and equipment, at cost		
Leasehold improvements	209,976	209,976
Furniture, fixtures and equipment	<u>1,233,655</u>	<u>1,221,726</u>
Total property and equipment	1,443,631	1,431,702
Less accumulated depreciation and amortization	<u>1,222,796</u>	<u>1,173,931</u>
Net property and equipment	<u>220,835</u>	<u>257,771</u>
Total assets	<u>\$ 5,356,626</u>	<u>\$ 5,389,732</u>

Liabilities and Net Assets

Liabilities

Loan payable	\$ 516,900	\$ -
Accounts payable, accrued expenses and other	90,775	194,095
Accrued employee benefits	152,299	89,682
Deferred rent	<u>160,223</u>	<u>151,721</u>
Total liabilities	<u>920,197</u>	<u>435,498</u>

Net assets

Without donor restrictions		
Operating	296,315	289,551
Board-designated	<u>1,252,799</u>	<u>1,229,872</u>
Total without donor restrictions	1,549,114	1,519,423
With donor restrictions	<u>2,887,315</u>	<u>3,434,811</u>
Total net assets	<u>4,436,429</u>	<u>4,954,234</u>
Total liabilities and net assets	<u>\$ 5,356,626</u>	<u>\$ 5,389,732</u>

See notes to financial statements.

REGIONAL PLAN ASSOCIATION, INC.

Statement of Activities
Year Ended June 30, 2020
(with Summarized Comparative Information for the Year Ended June 30, 2019)

	Year Ended June 30				
	2020				2019
	Without Donor Restrictions		With Donor Restrictions		
	Operating	Board-Designated		Total	Total
Public support and revenue					
Public support					
Grants and contributions	\$ 2,047,433	\$ -	\$ 1,562,697	\$ 3,610,130	\$ 3,385,776
Special events (net of direct expenses of \$269,824 in 2020 and \$630,353 in 2019)	250,083	-	-	250,083	1,068,773
Net assets released from restrictions	<u>2,159,580</u>	<u>-</u>	<u>(2,159,580)</u>	<u>-</u>	<u>-</u>
Total public support	<u>4,457,096</u>	<u>-</u>	<u>(596,883)</u>	<u>3,860,213</u>	<u>4,454,549</u>
Revenue					
Investment return, net	9,478	22,927	49,387	81,792	112,192
Other	<u>28,713</u>	<u>-</u>	<u>-</u>	<u>28,713</u>	<u>45,231</u>
Total revenue	<u>38,191</u>	<u>22,927</u>	<u>49,387</u>	<u>110,505</u>	<u>157,423</u>
Total public support and revenue	<u>4,495,287</u>	<u>22,927</u>	<u>(547,496)</u>	<u>3,970,718</u>	<u>4,611,972</u>
Expenses					
Program services					
Research	2,808,936	-	-	2,808,936	2,668,175
Public affairs	545,144	-	-	545,144	389,624
Supporting activities					
Management and general	360,265	-	-	360,265	581,973
Fundraising	<u>774,178</u>	<u>-</u>	<u>-</u>	<u>774,178</u>	<u>768,671</u>
Total expenses	<u>4,488,523</u>	<u>-</u>	<u>-</u>	<u>4,488,523</u>	<u>4,408,443</u>
Increase (decrease) in net assets	6,764	22,927	(547,496)	(517,805)	203,529
Net assets, beginning of year	<u>289,551</u>	<u>1,229,872</u>	<u>3,434,811</u>	<u>4,954,234</u>	<u>4,750,705</u>
Net assets, end of year	\$ <u>296,315</u>	\$ <u>1,252,799</u>	\$ <u>2,887,315</u>	\$ <u>4,436,429</u>	\$ <u>4,954,234</u>

See notes to financial statements.

REGIONAL PLAN ASSOCIATION, INC.

**Statement of Functional Expenses
Year Ended June 30, 2020
(with Summarized Comparative Information for the Year Ended June 30, 2019)**

	2020				2019
	Program Services*		Supporting Activities		
	Research	Public Affairs	Management and General	Fund-Raising	Total
Salaries and wages	\$1,603,935	\$ 276,132	\$ 99,899	\$ 491,585	\$2,471,551
Payroll taxes	102,001	17,560	37,953	31,262	188,776
Employee health and welfare benefits	217,622	42,753	18,805	74,899	354,079
Professional fees	423,407	140,359	46,486	40,311	650,563
Office	54,395	9,299	20,034	17,855	101,583
Occupancy	261,024	44,833	96,894	79,814	482,565
Travel	45,219	724	1,564	1,595	49,102
Conferences and meetings	28,436	1,690	3,654	6,407	40,187
Printing and publications	3,926	686	1,360	6,842	12,814
Information technology	41,040	6,248	13,223	10,892	71,403
Advertising	65	62	24	20	171
Bank charges and fees	1,463	252	545	4,604	6,864
Uncollectible accounts	-	-	10,000	-	10,000
Sub-total	2,782,533	540,598	350,441	766,086	4,439,658
Depreciation and amortization	26,403	4,546	9,824	8,092	48,865
Total	\$2,808,936	\$ 545,144	\$ 360,265	\$ 774,178	\$4,488,523
					\$4,408,443

* For the 2020 fiscal year, the program services expense percentage to overall expenses was approximately 75%.

See notes to financial statements.

REGIONAL PLAN ASSOCIATION, INC.

Statement of Cash Flows

	Year Ended June 30	
	2020	2019
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (517,805)	\$ 203,529
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	48,865	55,471
Net realized and unrealized (gain) on investments	(52,530)	(75,744)
Contributed securities	(2,167)	(30,898)
Proceeds from sale of contributed securities	2,167	30,898
Contributions with perpetual donor restrictions	(20,250)	(20,000)
(Increase) decrease in assets		
Pledges receivable	163,515	413,264
Prepaid expenses and deposits	(1,405)	17,506
Increase (decrease) in liabilities		
Accounts payable, accrued expenses and other	(103,320)	136,877
Accrued employee benefits	62,617	(46,161)
Deferred rent	8,502	8,502
Net cash provided by (used in) operating activities	<u>(411,811)</u>	<u>693,244</u>
Cash flows from investing activities		
Expenditures for furniture, fixtures and equipment	(11,929)	(11,305)
Purchases of investments	(898,254)	(995,972)
Proceeds from sale of investments	786,966	879,912
Net cash (used in) investing activities	<u>(123,217)</u>	<u>(127,365)</u>
Cash flows from financing activities		
Contributions with perpetual donor restrictions	20,250	20,000
Proceeds from loan payable	516,900	-
Net cash provided by financing activities	<u>537,150</u>	<u>20,000</u>
Net increase in cash	2,122	585,879
Cash, beginning of year	<u>1,642,239</u>	<u>1,056,360</u>
Cash, end of year	<u>\$ 1,644,361</u>	<u>\$ 1,642,239</u>

See notes to financial statements.

REGIONAL PLAN ASSOCIATION, INC.**Notes to Financial Statements****June 30, 2020****Note 1 – Nature of organization**

Regional Plan Association, Inc. (the “Association”) is a nonprofit regional planning organization that promotes the improvement of the quality of life and economy in the New York, New Jersey and Connecticut tri-state region.

Note 2 – Summary of significant accounting policies**Financial reporting**

The Association reports information regarding its financial position and activities in two classes of net assets, which are as follows:

Without donor restrictions

- Operating net assets are used to account for the general activity of the Association.
- Board-designated net assets consist of contributions in connection with the capital campaign and it is the intent of the Association to preserve the principal; however, the donors have granted the Association the flexibility to use the principal at the discretion of the Board of Directors.

With donor restrictions

Net assets with donor restrictions represent expendable gifts and grants received, which are restricted by the donor or pertain to future periods. When the funds are spent, they are released from their restriction. Included in this category are net assets subject to donor-imposed restrictions to be maintained in perpetuity by the Association. However, the Association is permitted to expend the revenue derived from the assets.

Cash equivalents

The Association considers highly liquid assets with original maturities of ninety days or less to be cash equivalents. The Association did not have any cash equivalents as of June 30, 2020 and June 30, 2019.

Investments and investment return

Investments are carried at fair value, which are based on publicly quoted prices. Realized gains and losses on investments and the change in the unrealized value of the investments (unrealized gains or losses) are reflected in the statement of activities. Dividends are recorded on the ex-dividend date.

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)

June 30, 2020

Note 2 – Summary of significant accounting policies (continued)

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The Association's investments are all measured using Level 1 inputs, which is the highest level in the hierarchy. Their fair values are based on quoted prices in active markets.

Contributions and net assets released from restrictions

The Association reports contributions as temporarily donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor stipulation expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Pledges receivable

At June 30, 2020, the pledges receivable are expected to be collected as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 885,944
2022	100,000
2023	100,000
Total	<u>\$ 1,085,944</u>

Allowance for doubtful accounts

The Association deems all pledges receivable to be collectible and, accordingly, does not have an allowance for doubtful accounts for any potentially uncollectible receivables. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Property and equipment

Property and equipment expenditures of \$1,000 or greater, with an estimated useful life of greater than one year, are recorded at cost and are being depreciated or amortized by the straight-line method over their estimated useful lives of the assets or the life of the lease which range from four to ten years.

REGIONAL PLAN ASSOCIATION, INC.**Notes to Financial Statements (continued)**
June 30, 2020**Note 2 – Summary of significant accounting policies (continued)****Concentrations of credit risk**

The Association's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, investments and pledges receivable. The Association places its cash with what it believes to be quality financial institutions. At times during the year, the bank balances exceeded the FDIC insurance coverage limit. The Association has not incurred any losses in these accounts to date. The Association's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of uncertainty related to the aforementioned risks, it is at least reasonably possible that changes in these risks could have a material effect on the amounts reported in the statement of financial position as of June 30, 2020. The Association monitors its pledges receivable on an ongoing basis and management believes all pledges are collectible. The Association believes no significant concentrations of credit risk exist with respect to its cash, investments and pledges receivable.

Use of estimates

The preparation of 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 financial statements. Actual results could differ from these estimates.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class or functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain shared costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional category are allocated based on time and effort.

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)
June 30, 2020

Note 2 – Summary of significant accounting policies (continued)

Subsequent events

The Association has evaluated events and transactions for potential recognition or disclosure through September 15, 2020, which is the date the financial statements were available to be issued.

On March 13, 2020, President Trump declared a national emergency due to extraordinary circumstances resulting from the coronavirus. As the coronavirus pandemic continues, the economic impact on the Association's future financial operations is not readily determinable.

Note 3 – Financial assets and liquidity resources

As of June 30, 2020 and June 30, 2019, financial assets and liquidity resources available for general expenditures within one year of the statement of financial position date, such as operating expenses, were as follows:

	<u>2020</u>	<u>2019</u>
Financial assets		
Cash	\$ 1,644,361	\$ 1,642,239
Investments, at fair value	2,390,280	2,226,462
Pledges receivable	1,085,944	1,249,459
Less: Board-designated net assets without donor restrictions	(1,252,799)	(1,229,872)
Net assets with temporary donor restrictions not expected to be met within one year	(200,000)	(300,000)
Net assets with perpetual donor restrictions	<u>(1,356,681)</u>	<u>(1,336,431)</u>
Total	<u>\$ 2,311,105</u>	<u>\$ 2,251,857</u>

Endowment draws are Board approved annually. Cash is drawn as needed within the approved budget with careful consideration of receivables and payables. In addition, as of June 30, 2020, the Association had an additional \$1,252,799 in funds functioning as endowment, which are available for general expenditure with Board approval as well as a \$500,000 line of credit (see note 6) that the Association can draw on as needed.

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)
June 30, 2020

Note 4 – Investments

The following is a summary of the investments at June 30, 2020 and June 30, 2019:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasuries	\$ -	\$ -	\$ 214,255	\$ 214,567
Mutual funds				
Equities	164,486	174,984	96,371	98,134
Fixed income	653,657	644,556	172,366	173,581
Exchange-traded funds	<u>1,295,192</u>	<u>1,570,740</u>	<u>1,506,475</u>	<u>1,740,180</u>
Total	<u>\$ 2,113,335</u>	<u>\$ 2,390,280</u>	<u>\$ 1,989,467</u>	<u>\$ 2,226,462</u>

For the years ended June 30, 2020 and June 30, 2019, net investment return consists of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 50,157	\$ 55,384
Realized gains (losses)	12,580	(6,881)
Unrealized gains	39,950	82,625
Fees	<u>(20,895)</u>	<u>(18,936)</u>
Total	<u>\$ 81,792</u>	<u>\$ 112,192</u>

Note 5 – Retirement plan

The Association maintains a defined contribution plan for all eligible employees, as defined by the plan. Contributions are made to the plan based on a percentage of the participating employees' salaries. The pension expense for the years ended June 30, 2020 and June 30, 2019 was \$103,273 and \$108,702, respectively.

Note 6 – Line of credit

The Association has available through April 17, 2021, a \$500,000 secured line of credit with a bank. Any amounts borrowed under the line, require interest at The Wall Street Journal Prime Rate less ½% with a floor of 3.25%. At June 30, 2020, there were no amounts outstanding under the line. The line is secured by the assets of the Association.

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued) June 30, 2020

Note 7 –Loan payable

During 2020, the Association applied for and received \$516,900 under the Paycheck Protection Program (“PPP”) which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. The Association has elected to record the proceeds as a liability until the loan is, in part or wholly, forgiven and the Association is legally released. The Association believes it has spent all of the proceeds in accordance with the terms of PPP loan program and expects to have the loan forgiven in its entirety during the 2021 fiscal year. Any amounts not forgiven are subject to interest at a fixed rate of 1% for a two year-term.

Note 8 – Lease agreements

During September 2016, the Association entered into a new ten-year lease, for office space for its headquarters in New York City, which expires August 2027. Under the terms of the lease, the Association received a rent abatement for the first four months of the lease term which was effective May 1, 2017, the date the Association took occupancy of the premises. The rent abatement was recorded as deferred rent in the statement of financial position. The Association is required to pay a minimum annual rental of \$420,210 for the first five years, increasing to \$465,885 for the remainder of the lease. The Association is also required to pay its proportionate share of the landlord’s operating expenses. In connection with the agreement, the Association obtained a \$210,105 irrevocable standby letter of credit from a bank in favor of the landlord. During July 2020, the Association and landlord entered into an agreement whereby the Association’s approximate \$56,000 of unpaid rent at June 30, 2020 would be payable commencing January 2021 in 12 monthly installments of approximately \$4,700. The unpaid rent at June 30, 2020 is included in accounts payable, accrued expenses and other in the statement of financial position.

In addition, the Association leases office space in New Jersey under the terms of a five year lease, expiring January 31, 2024. The lease requires monthly rent of \$1,276 for the first 30 months of the lease, increasing to \$1,330 a month for the remainder of the lease.

The required minimum annual rental payments under the leases are as follows:

<u>Fiscal Year</u>	<u>New York Office</u>	<u>New Jersey Office</u>	<u>Total</u>
2021	\$ 448,380	\$ 15,310	\$ 463,690
2022	448,380	15,906	464,286
2023	458,273	15,959	474,232
2024	465,885	9,310	475,195
2025	465,885	-	465,885
2026 and thereafter	1,009,418	-	1,009,418
Total	<u>\$ 3,296,211</u>	<u>\$ 56,485</u>	<u>\$ 3,352,706</u>

Occupancy expense in connection with these leases totaled \$482,565 and \$475,018 for the 2020 and 2019 fiscal years, respectively.

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)

June 30, 2020

Note 9 – Net assets with temporary donor restrictions

Net assets with temporary donor restrictions activities consist of the following for the year ended June 30, 2020:

	Balance at June 30, 2019	Support and Investment Return	Net Assets Released from Restrictions	Balance at June 30, 2020
New City Parks	\$ -	\$ 518,500	\$ (119,258)	\$ 399,242
Regional Planning				
Exchange	956,439	-	(645,831)	310,608
NYS Health	-	161,000	(19,504)	141,496
Peter Herman/Richard				
Kaplan Chairs	136,842	49,387	(45,000)	141,229
Triboro	125,245	-	(54,882)	70,363
Parking Studies	28,586	50,000	(18,107)	60,479
Leidos	-	70,880	(16,269)	54,611
Congestion Pricing	76,763	45,000	(75,659)	46,104
Right of Way	-	50,000	(6,884)	43,116
CT Affordable Housing				
Guidebook	-	50,000	(11,451)	38,549
New Jersey Issues	131,484	25,000	(131,484)	25,000
Fund for NJ - Gateway	-	25,000	-	25,000
FCCHO - Data	-	45,000	(20,558)	24,442
CEQR MAS	-	37,212	(13,863)	23,349
Offshore Wind				
Collaboration	2,052	25,000	(4,229)	22,823
Public Housing Analysis	-	225,000	(204,249)	20,751
Climate Change Week	-	20,000	(4,546)	15,454
Australia	-	15,000	(118)	14,882
Bay Area Regional				
Strategy	19,876	-	(7,835)	12,041
New Jersey Transit On-				
Call	24,610	-	(13,281)	11,329
Inclusionary Zoning	21,873	-	(12,841)	9,032

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)
June 30, 2020Note 9 – Net assets with temporary donor restrictions (continued)

	Balance at June 30, 2019	Support and Investment Return	Net Assets Released from Restrictions	Balance at June 30, 2020
Long Island Housing Profiles	\$ -	\$ 10,000	\$ (1,647)	\$ 8,353
CT Urban Centers Coalition	-	20,000	(12,619)	7,381
Bridgeport Anchor Collaborative	-	5,000	-	5,000
Gateway/Amtrak	141,511	-	(141,511)	-
Streets Democracy	138,477	-	(138,477)	-
Jamaica Vision Implementation Strategies	69,102	-	(69,102)	-
Penn Station Study	27,995	100,000	(127,995)	-
Leadership Institute for Housing II	14,491	-	(14,491)	-
LICF Affordable Housing	14,275	-	(14,275)	-
Equitable Adaptation	56,297	-	(56,297)	-
Bikeway Study	47,115	-	(47,115)	-
New Jersey Bus Service	25,000	-	(25,000)	-
Hidden Housing	17,915	-	(17,915)	-
PATH Extension Study	17,394	-	(17,394)	-
Environment and Energy Greenport	5,038	25,000	(30,038)	-
Hyde and Watson	-	1,635	(1,635)	-
PEW Event	-	10,000	(10,000)	-
	-	8,220	(8,220)	-
Total	<u>\$2,098,380</u>	<u>\$ 1,591,834</u>	<u>\$ (2,159,580)</u>	<u>\$ 1,530,634</u>

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)

June 30, 2020

Note 10 - Endowments

The Association reports its restricted net assets in accordance with accounting standards for Endowments and the New York Prudent Management of Institutional Funds Act in administering and managing its endowment assets.

Interpretations

The Association's endowment includes both donor-restricted funds and funds designated by the Board of Directors. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Association to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Strategies employed for achieving objectives

To satisfy its long-term rate of return objectives which is to maintain the endowment real purchasing power, the Association relies on a total return strategy in which investments returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). To accomplish the Association's investment objectives an asset allocation that utilizes a mix of fixed income and equities in the 35% to 55% range for each category is employed. In addition, both cash and alternative investments will be utilized up to 15% for each category.

Spending policy

The Association has a policy of spending the investment income generated from its perpetually restricted funds, which is allowable under the donor guidelines. Any unspent investment income is added to the balance of net assets with temporary donor restrictions of the appropriate fund. Any unspent investment income generated in connection with the Board-designated funds, remains within the fund.

Net assets with perpetual donor restrictions

The net assets with perpetual donor restrictions activity consist of the following for the year ended June 30, 2020:

Balance at June 30, 2019	\$ 1,336,431
Contributions	<u>20,250</u>
Balance at June 30, 2020	<u>\$ 1,356,681</u>

Note 11 – Litigation

The Association is currently involved in a litigation arising in the ordinary course of business. The Association believes it has defenses for this litigation and is vigorously defending the action. In the opinion of management, after consultation with outside legal counsel, the final disposition of this matter will not have a material effect on the Association's financial statements.

REGIONAL PLAN ASSOCIATION, INC.

Notes to Financial Statements (continued)
June 30, 2020

Note 12 – Tax status

The Association is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Association has been determined by the Internal Revenue Service to be a publicly supported organization and not a private foundation under the meaning of Section 509(a)(1) of the Code.