KPMG

# BRYANT PARK CORPORATION AND BRYANT PARK MANAGEMENT CORPORATION

Consolidated Financial Statements

June 30, 2024
(with Summarized Comparative financial information as of June 30, 2023)

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

# Independent Auditors' Report

Board of Directors
Bryant Park Corporation and Bryant Park Management Corporation:

*Opinion*

We have audited the consolidated financial statements of Bryant Park Corporation and Bryant Park Management Corporation(the Corporation), which comprise the consolidated balance sheet as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation 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 Consolidated Financial Statements*

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

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

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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the KPMG global organization of independent member firms affiliated with
KPMG International Limited, a private English company limited by guarantee.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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 the Corporation's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

New York, New York
November 6, 2024

**BRYANT PARK CORPORATION AND**
**BRYANT PARK MANAGEMENT CORPORATION**

Consolidated Balance Sheet

June 30, 2024
(with comparative financial information as of June 30, 2023)

| **Assets** | | **2024** | **2023** |
|---|---|---|---|
| Cash and cash equivalents (note 11) | $ | 4,071,878 | 3,152,403 |
| Investments (note 2(e)) | | 984,462 | 2,729,957 |
| Accounts receivable, net of allowance for doubtful accounts of $36,282 in 2024 and 2023, and other assets (notes 4 and 5) | | 877,991 | 824,956 |
| Due from related parties (note 10) | | 408,248 | 701,918 |
| Restaurant design and construction, net (note 4) | | 102,400 | 121,019 |
| Property and equipment, net (note 6) | | 794,833 | 534,650 |
| Right-of-use assets (notes 2(m) and 8) | | 2,539,005 | 3,273,268 |
| District improvements, net of accumulated amortization of $11,600,912 and $11,060,384 in 2024 and 2023, respectively (note 11) | | 4,236,485 | 4,673,508 |
| Total assets | $ | 14,015,302 | 16,011,679 |
| **Liabilities and Net Assets** | | | |
| Liabilities: | | | |
| Accounts payable and accrued expenses (note 8) | $ | 1,473,236 | 1,083,806 |
| Deferred revenue | | 1,078,828 | 2,971,500 |
| Operating lease liabilities (notes 2(m) and 8) | | 2,790,919 | 3,589,979 |
| Bank loan (note 11) | | 2,084,681 | 2,321,641 |
| Total liabilities | | 7,427,664 | 9,966,926 |
| Commitments and contingencies (notes 4, 8, and 9) | | | |
| Net assets: | | | |
| Without donor restrictions | | 6,587,638 | 6,044,753 |
| Total net assets | | 6,587,638 | 6,044,753 |
| Total liabilities and net assets | $ | 14,015,302 | 16,011,679 |

See accompanying notes to consolidated financial statements.

**BRYANT PARK CORPORATION AND**
**BRYANT PARK MANAGEMENT CORPORATION**

Consolidated Statement of Activities

Year ended June 30, 2024
(with comparative financial information for the year ended June 30, 2023)

| | 2024 | 2023 |
|---|---|---|
| Without donor restrictions: | | |
| Revenue and other support: | | |
| Assessments (note 1(b)) | $ 2,500,000 | 2,500,000 |
| Winter Village, including sponsorship revenue of $3,290,505 and $3,044,315 in 2024 and 2023, respectively (note 5) | 18,235,280 | 15,700,124 |
| Other sponsorships and contributions, including contributed services of $73,688 in 2024 | 2,379,408 | 1,481,043 |
| Restaurant rental income (note 4) | 2,503,588 | 2,490,818 |
| Park usage fees | 1,315,159 | 775,490 |
| Concessions (note 8) | 2,730,727 | 2,390,523 |
| Interest | 224,339 | 119,979 |
| Other sources | 157,441 | 105,552 |
| Total revenue and other support | 30,045,942 | 25,563,529 |
| Expenses: | | |
| Program services: | | |
| Capital projects – park (note 11) | 2,087,504 | 1,980,648 |
| Capital projects – restaurant (note 4) | 18,619 | 18,619 |
| Park maintenance | 3,003,532 | 2,682,575 |
| Security | 2,180,611 | 2,013,599 |
| Retail services and promotion | 1,149,129 | 1,023,936 |
| Public events | 2,494,789 | 1,900,556 |
| Winter Village (note 5) | 12,563,831 | 11,010,719 |
| Park programs | 1,835,546 | 1,265,006 |
| Carousel | 570,091 | 506,078 |
| Reading room | 579,755 | 508,908 |
| Horticulture | 782,888 | 705,168 |
| Total program services | 27,266,295 | 23,615,812 |
| Supporting services: | | |
| Management and general | 1,974,244 | 1,649,418 |
| Fundraising | 262,518 | 207,785 |
| Total supporting services | 2,236,762 | 1,857,203 |
| Total expenses | 29,503,057 | 25,473,015 |
| Increase in net assets without donor restrictions | 542,885 | 90,514 |
| Net assets at beginning of year | 6,044,753 | 5,954,239 |
| Net assets at end of year | $ 6,587,638 | 6,044,753 |

See accompanying notes to consolidated financial statements.

**BRYANT PARK CORPORATION AND**
**BRYANT PARK MANAGEMENT CORPORATION**

Consolidated Statement of Functional Expenses

Year ended June 30, 2024
(with summarized comparative financial information for the year ended June 30, 2023)

| | Program services | | | | | | | | | | | | Supporting services | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital projects – park | Capital projects – restaurant | Park maintenance | Security | Retail services and promotion | Public events | Winter Village | Park programs | Carousel | Reading room | Horticulture | Total | Management and general | Fundraising | Total | 2024 Total | 2023 Total |
| Salaries | $ 434,394 | — | 1,757,777 | 1,445,389 | 564,873 | 481,674 | 1,883,385 | 731,229 | 314,487 | 243,841 | 216,075 | 8,073,124 | 1,079,147 | 99,616 | 1,178,763 | 9,251,887 | 8,189,142 |
| Payroll taxes and benefits | 96,183 | — | 696,549 | 461,742 | 138,778 | 69,358 | 85,647 | 174,915 | 96,976 | 66,630 | 62,355 | 1,949,133 | 154,669 | 19,798 | 174,467 | 2,123,600 | 1,794,353 |
| Total salaries and related expenses | 530,577 | — | 2,454,326 | 1,907,131 | 703,651 | 551,032 | 1,969,032 | 906,144 | 411,463 | 310,471 | 278,430 | 10,022,257 | 1,233,816 | 119,414 | 1,353,230 | 11,375,487 | 9,983,495 |
| Contracted services (note 2(n)) | 489,069 | — | 1,100 | 1,098 | 229,108 | 1,133,613 | 5,728,515 | 147,329 | 38,865 | 138,995 | 160,723 | 8,068,415 | 96,085 | 66,686 | 162,771 | 8,231,186 | 7,333,777 |
| Accounting and legal | — | — | 24,079 | — | 875 | — | 79,151 | 18,578 | — | — | — | 122,683 | 185,902 | — | 185,902 | 308,585 | 84,459 |
| General liability insurance | 40,407 | — | 163,507 | 134,431 | 66,764 | 42,316 | 1,075,550 | 68,018 | 29,164 | 22,682 | 31,289 | 1,674,128 | 114,753 | 17,760 | 132,513 | 1,806,641 | 1,614,081 |
| Occupancy | 206,398 | — | 52,416 | 64,746 | 109,524 | 633,998 | 97,214 | 132,826 | 42,992 | 77,676 | 26,131 | 1,443,921 | 116,281 | 41,073 | 157,354 | 1,601,275 | 1,339,214 |
| Supplies | 27,198 | — | 218,622 | 10,402 | 808 | 22,783 | 269,970 | 43,459 | 12,856 | 6,079 | 276,994 | 889,171 | 16,545 | 1,616 | 18,161 | 907,332 | 811,884 |
| Telephone | 3,526 | — | 1,403 | 13,144 | 3,191 | 4,494 | 9,509 | 48,810 | 2,719 | 2,559 | 1,552 | 90,907 | 3,503 | 1,560 | 5,063 | 95,970 | 82,699 |
| Equipment | 11,596 | — | 6,125 | 2,238 | 9,183 | 38,686 | 2,871,038 | 25,579 | 6,349 | 2,531 | 1,525 | 2,974,850 | 3,939 | 4,029 | 7,968 | 2,982,818 | 2,576,400 |
| Repairs and maintenance | 145,166 | — | 7,234 | 14,083 | — | 23,434 | 337,373 | 52,459 | 19,963 | 985 | 1,591 | 602,288 | 6,140 | — | 6,140 | 608,428 | 510,922 |
| Uniforms | 206 | — | 68,795 | 17,618 | — | 5,159 | 22,539 | 1,988 | 784 | 22 | 3,327 | 120,438 | — | — | — | 120,438 | 88,382 |
| Travel and entertainment | 606 | — | — | 1,168 | 121 | 10,459 | 40,984 | 3,895 | 930 | 5,485 | — | 63,648 | 23,893 | 1,341 | 25,234 | 88,882 | 71,323 |
| Depreciation and amortization | 540,528 | 18,619 | 4,836 | 11,885 | — | 4,985 | 1,324 | 157,575 | 664 | — | — | 740,416 | 1,580 | — | 1,580 | 741,996 | 711,184 |
| Interest and fees | 78,095 | — | — | — | — | — | — | 216,295 | — | — | — | 294,390 | — | — | — | 294,390 | 86,162 |
| Miscellaneous | 14,132 | — | 1,089 | 2,667 | 25,904 | 23,830 | 61,632 | 12,591 | 3,342 | 12,270 | 1,326 | 158,783 | 171,807 | 9,039 | 180,846 | 339,629 | 179,033 |
| Total, year ended June 30, 2024 | $ 2,087,504 | 18,619 | 3,003,532 | 2,180,611 | 1,149,129 | 2,494,789 | 12,563,831 | 1,835,546 | 570,091 | 579,755 | 782,888 | 27,266,295 | 1,974,244 | 262,518 | 2,236,762 | 29,503,057 | |
| Total, year ended June 30, 2023 | $ 1,980,648 | 18,619 | 2,682,575 | 2,013,599 | 1,023,936 | 1,900,556 | 11,010,719 | 1,265,006 | 506,078 | 508,908 | 705,168 | 23,615,812 | 1,649,418 | 207,785 | 1,857,203 | | 25,473,015 |

See accompanying notes to consolidated financial statements.

**BRYANT PARK CORPORATION AND**
**BRYANT PARK MANAGEMENT CORPORATION**

Consolidated Statement of Cash Flows

Year ended June 30, 2024
(with comparative financial information for the year ended June 30, 2023)

| | | 2024 | 2023 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Increase in net assets | $ | 542,885 | 90,514 |
| Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities: | | | |
| Depreciation and amortization | | 741,996 | 711,184 |
| Unrealized gain on investments | | (13,462) | (15,400) |
| Net impact on operating leases | | (64,797) | (39,878) |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable and other assets | | (53,035) | (202,133) |
| Due from related parties | | 293,670 | (347,738) |
| Accounts payable and accrued expenses | | 389,430 | 153,698 |
| Deferred revenue | | (1,892,672) | 1,731,377 |
| Net cash (used in) provided by operating activities | | (55,985) | 2,081,624 |
| Cash flows from investing activities: | | | |
| Acquisition of property and equipment | | (443,030) | (480,064) |
| Acquisition of district improvements | | (103,505) | (285,463) |
| Purchases of investments | | (1,214,298) | (5,670,467) |
| Proceeds from sales of investments | | 2,973,253 | 2,955,910 |
| Net cash provided by (used in) investing activities | | 1,212,420 | (3,480,084) |
| Cash flows from financing activity: | | | |
| Repayments on bank loan | | (236,960) | (228,911) |
| Net cash used in financing activity | | (236,960) | (228,911) |
| Increase (decrease) in cash and cash equivalents | | 919,475 | (1,627,371) |
| Cash and cash equivalents at beginning of year | | 3,152,403 | 4,779,774 |
| Cash and cash equivalents at end of year | $ | 4,071,878 | 3,152,403 |
| Supplemental cash flow disclosure: | | | |
| Interest paid during the year | $ | 78,782 | 86,830 |
| Right-of-use assets obtained in exchange for operating lease liabilities | | — | 503,719 |
| Deferred rent liability included in operating lease right-of-use assets | | 220,452 | 297,078 |

See accompanying notes to consolidated financial statements.

## (1) Description of Organizations

### *(a) Bryant Park Corporation (BPC)*

BPC is a not-for-profit entity, which was organized as Bryant Park Restoration Corporation to promote the restoration, maintenance, and utilization of Bryant Park in association with The New York Public Library, Astor, Lenox and Tilden Foundations (the Library) and the New York City Department of Parks and Recreation (the City). In November 2006, the name of the corporation was changed to Bryant Park Corporation. BPC provides numerous and varied free public programs, services and capital improvements within Bryant Park and the Bryant Park Business Improvement District (the District).

On July 29, 1985, BPC, the Library, and the City entered into lease and license agreements (the Agreements) under which responsibility for managing Bryant Park was transferred from the City to BPC. Under the Agreements, BPC assumed responsibility for the operation and maintenance of Bryant Park, including improvements, special events and concessions, under the supervision of the City, while obtaining the right to develop commercial restaurant facilities, under a 35-year lease of the terrace, with BPC's option for four 5-year extensions, behind the New York Public Library in Bryant Park (note 4). BPC has exercised its option for the first 5-year extension through June 30, 2028. Sponsorships, fees from concession facilities and special events, in addition to contributions from Bryant Park Management Corporation (below), provide additional revenues to BPC. A license agreement, dated June 8, 2018, between BPC and the City extends the operation and maintenance of Bryant Park by BPC for 10 years with the option for two additional 5-year periods, by mutual agreement, commencing July 19, 2018.

### *(b) Bryant Park Management Corporation (BPMC)*

BPMC is a not-for-profit entity organized in 1983, in cooperation with the City, by property owners, tenants, and city officials with an interest in the District. BPMC is a District Management Association organized to promote and support the District and to execute a plan, approved by the Board of Estimate of the City of New York, for providing supplemental services to Bryant Park and to the public spaces surrounding Bryant Park.

The property owners and tenants within the District have agreed to fund the approved activities of BPC through assessments levied against real property located within the District and collected by the City. The maximum assessment and use of the funds are approved annually by BPMC. Such amount shall not exceed 3% of the total general city taxes levied in that year against the taxable real property in the District. Assessments of $2,500,000 were remitted to BPMC, which transferred such funds to BPC, to be used in operations for each of the years ended June 30, 2024 and 2023.

BPC and BPMC (the Organizations) are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3) and, accordingly, are not subject to income taxes except to the extent they have taxable income from activities that are not related to their exempt purposes. The Organizations recognize the effect of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes was required for fiscal 2024 or 2023.

## (2) Summary of Significant Accounting Policies

### *(a) Consolidated Financial Statements*

In view of the similarity of their objectives and their close financial and organizational relationships, including common management and overlapping boards of directors, consolidated financial statements for the Organizations are prepared. Intercompany accounts and transactions have been eliminated in the preparation of the consolidated financial statements.

### *(b) Basis of Accounting*

The accompanying consolidated financial statements of the Organizations have been prepared on the accrual basis.

### *(c) Basis of Presentation*

The Organizations' net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as either with or without donor restrictions. Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. The Organizations received no restricted contributions, therefore, has no net assets with donor restrictions as of and for the years ended June 30, 2024 and 2023.

Revenues are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets, if any (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed), are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

### *(d) Cash Equivalents*

The Organizations consider money market funds and certificates of deposit with an original maturity of three months or less to be cash equivalents.

Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. BPC had cash balances at June 30, 2024 and 2023 that exceeded the balance insured by the FDIC in the amount of $883,734 and $1,532,403, respectively. The Securities Investor Protection Corporation (SIPC) insures money market funds, held by member firms, up to $500,000 per investor. BPC had uninsured money market funds of $2,119,088 and $370,000 at June 30, 2024 and 2023, respectively.

### *(e) Investments*

The Organizations invest surplus cash balances in long-term government obligations and FDIC-insured certificates of deposit. These investments, with original maturities of more than three months, are recorded at fair value.



(Continued)

***(f) District Improvements***

District improvements are capitalized as costs are incurred on the basis that these improvements provide a future economic benefit to the District and its property owners.

Capitalized district improvements are amortized on a straight-line basis over a 20-year period.

***(g) Contributions***

Contributions are recorded as revenue upon receipt of cash or unconditional promise to give (pledge) in which there is no right of return of assets contributed and an indication of any donor-imposed barriers or performance obligations as a condition of the contribution based upon the donor agreement. Contributions received are recorded as increases in net assets with or without donor restrictions, depending on the existence and/or absence of any donor-imposed restrictions.

***(h) Contributed Services***

Contributed services are recorded as revenue and expense in the period received at the fair value of those services. Contributed services totaling $73,688 are included in contract services, within the benefited program service, on the consolidated statement of functional expenses for the year ended June 30, 2024.

***(i) Deferred Revenue***

Contracts for use of Bryant Park require payment of park usage fees prior to the actual date of use. Such advance payments are deferred until their recognition in revenue on the date of use.

Sponsorships are considered exchange transactions under which sponsors receive benefits and are, therefore, recorded as revenue when earned. Amounts received in advance are deferred until earned.

***(j) Functional Allocation of Expenses***

The costs of providing programs and other activities have been summarized by program and supporting services benefited in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services. Supporting services include the salaries of the Organizations' president/executive director, the administrative office clerical staff, and the finance and accounting staff which includes the information technology, payroll and human resource functions. Costs allocated amongst programs and supporting services include; general liability insurance which is allocated based on payroll, as well as, rent, office supplies and equipment and telephone which are allocated based on square footage occupied by each program's or supporting service's employees.

***(k) Fair Value Measurements***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The three levels of the fair value hierarchy are:

- Level 1: Inputs that reflect unadjusted quoted or published prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date.
- Level 2: Inputs other than quoted or published prices that are observable for the asset or liability either directly or indirectly.
- Level 3: Inputs that are unobservable.

### *(l) Use of Estimates*

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include the allocation of certain expenses (note 2(j)), the allocation of payroll, insurance, and occupancy expenses between the Organizations and 34th Street Partnership, Inc. (the Partnership), with which they share common management and office space, as well as the collectability of accounts receivable, the present value of operating lease liabilities and amortization of district improvements.

### *(m) Right-of-use Assets and Operating Lease Liabilities*

Operating lease right-of-use assets represent the Organization's right to use the underlying assets and operating lease liabilities represent their obligation to make lease payments for the use of the leased assets. Operating lease right-of-use assets and related lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term discounted using an appropriate discount rate.

The Organizations have elected the short-term lease exemption for leases with a term of twelve months or less. The discount rate is based on the rate implicit in the lease or is based on the incremental borrowing rate risk free rate, the interest rate for treasury bills of a duration similar to the lease term.

### *(n) Revenue Recognition*

Assessments, paid by the City to BPMC in equal semi-annual installments, are recognized as revenue ratably throughout the year. Sponsorships, whether received in lump-sum or installments, are recognized as revenue ratably over the duration of the program or programs being sponsored. Contributed services are recognized as revenue when the services are provided. Restaurant rent and concession royalties are received and recognized as revenue ratably throughout the year. Park usage fees are recognized as revenue on the date of the related event or activation, however bartered services, in payment for such fees, are recognized as revenue when the services are provided.

### *(o) New Accounting Standards*

Accounting Standards Update (ASU) 2016-13 *Financial Instruments – Credit Loss: Measurement of Credit Losses on Financial Instruments*, as amended, was issued by the Financial Accounting Standards Board (FASB) in June 2016 and is effective for the Organizations in fiscal year 2024. The ASU requires credit losses to be recognized on most financial assets carried at amortized cost (such as accounts receivable and certain other instruments). Under the ASU, credit losses are estimated over the entire contractual term of the instrument (adjusted for prepayment) from the date of initial recognition. The new ASU removes the requirement that a credit loss be probable of occurring for it to be recognized and requires entities to use historical experience, current economic conditions and reasonable and supportable forecasts to estimate their future expected credit losses. The ASU is to be applied using the modified retrospective basis with a cumulative effect adjustment to net assets at the beginning of the fiscal year that it is adopted. The Organizations; adoption of this ASU did not have a material impact on the fiscal year 2024 financial statements.

### *(p) Comparative Financial Information*

The accompanying consolidated financial statements include certain prior year summarized information. With respect to the consolidated statement of functional expenses, information from the prior year is presented in the aggregate and not presented by function. Accordingly, such information should be read in conjunction with the Organizations’ prior year consolidated financial statements from which the summarized information was derived.

### *(q) Reclassifications*

Certain 2023 balances have been reclassified to conform to the 2024 presentation.

## (3) Availability and Liquidity

At June 30, 2024 and 2023, the Organizations’ financial assets consisted of the following:

| | | 2024 | 2023 |
|---|---|---|---|
| Cash and cash equivalents | $ | 4,071,878 | 3,152,403 |
| Investments | | 984,462 | 2,729,957 |
| Accounts receivable (net) | | 377,274 | 306,867 |
| Due from related parties | | 408,248 | 701,918 |
| Financial assets available to meet general expenditures over the next twelve months | $ | 5,841,862 | 6,891,145 |

General expenditures include operating expenses, the cost of district improvements and other capital costs.

Winter Village (note 5) produced surplus revenues of $5,671,449 and $4,689,405 for the years ended June 30, 2024 and 2023 respectively. Winter Village operations have consistently resulted in annual net revenues in excess of $2,000,000. In addition to Winter Village, the Organizations receive district assessments of $2,500,000 from the City in semi-annual installments, minimum base rent from the Bryant

Park Restaurant (note 4) of $1,620,000 and minimum license fees of $1,100,000 from the Park's concessionaires, all paid in equal monthly installments. These revenues, together with other sponsorships, park use fees for events and activations, carousel admission fees, additional percentage restaurant rent and concession license fees, and other sources provide sufficient funds to support park operations, improvements and other capital costs and the Organizations' supporting services. Any excess cash is invested in short and long-term investments, including money market accounts, certificates of deposit and government obligations.

### (4) The Restaurant at Bryant Park

BPC entered into an indenture of lease with Ark Bryant Park Corporation (Ark), operator of the Restaurant at Bryant Park (the Restaurant). The lease commenced upon completion of the Restaurant in May 1995 for a 20-year term, with a tenant's option to renew for a further period of 10 years (the renewal term). Ark, effective May 1, 2015, exercised their renewal option. The lease provided for annual minimum basic rent of $275,000, as well as for additional rent, if restaurant gross receipts, as defined, exceed $3,437,500 for the calendar year. Rent is determined as follows: 8.0% of the first $5,000,000 of gross receipts, 9.0% of the next $5,000,000, and 10.0% of gross receipts in excess of $10,000,000. The annual minimum basic rent for each year of the renewal term is $1,219,933. Under an amendment of the indenture of lease, Ark constructed, and has operated, a related cafe (the Café) in the park for which it agreed to pay additional rent equal to 8.0% of the Café's gross receipts. On February 18, 2005, BPC and Ark entered into a separate indenture of lease for the Café (the cafe lease). Under the cafe lease, as amended by an agreement dated July 2, 2009, Ark had agreed to operate the Café through April 30, 2019. A new café lease, agreed to by the parties, dated June 15, 2018, extends the term to April 30, 2025. The cafe lease provides for annual basic rent of $400,000 plus 16.5% of gross receipts in excess of $2,500,000. Monthly rent payments through June 30, 2024 exceed percentage rent earned in the amount of $193,919. Rent receivable at June 30, 2023 amounted to $88,880. Rental revenue from the Restaurant and Cafe for the years ended June 30, 2024 and 2023 totaled $1,896,666 and $606,923 and $1,858,617 and $632,201, respectively.

Restaurant design and construction is stated at cost less accumulated depreciation. Depreciation is provided over a 20-year period.

At June 30, 2024 and 2023, restaurant design and construction consisted of the following:

| | 2024 | 2023 |
|---|---|---|
| Restaurant design and construction | $ 4,690,221 | 4,690,221 |
| Capitalized interest | 155,454 | 155,454 |
| Restaurant improvements | 372,375 | 372,375 |
| | 5,218,050 | 5,218,050 |
| Accumulated depreciation | (5,115,650) | (5,097,031) |
| Restaurant design and construction, net | $ 102,400 | 121,019 |

For the years ended June 30, 2024 and 2023, revenue and expenses recognized by BPC related to the Restaurant were as follows:

| | | 2024 | 2023 |
|---|---|---|---|
| Restaurant and Café rental income | $ | 2,503,589 | 2,490,818 |
| Depreciation expense | | (18,619) | (18,619) |
| Increase in net assets from restaurant-related activities | $ | 2,484,970 | 2,472,199 |

Ark's leases also provides for monthly payments of base rent plus additional percentage rent, based on the prior year's additional rent. Payments of any excess percentage rent are calculated and paid on an annual basis. There was no excess percentage rent included in accounts receivable and other assets at either June 30, 2024 or June 30, 2023.

## (5) Winter Village

Since October 2005, the lawn at Bryant Park has been converted into a skating rink during the winter months. The skating rink, skate deck, pavilion and the related restaurant and holiday shops make up the Winter Village (the Village). Village revenues are comprised of; skate pavilion revenue, including skate and locker rentals, skate lessons, party room rental and activations on the skate deck; catering and restaurant/food hall revenue and holiday market royalties. BPC produces the Village, retaining a rink operator, food and beverage concessionaires and a holiday market producer to operate the three Village components. In addition, sponsorship revenue is received to support Village operations and free public skating.

For the years ended June 30, 2024 and 2023, revenue recognized by BPC related to the Village were as follows:

| | | 2024 | 2023 |
|---|---|---|---|
| Skate pavilion revenue | $ | 10,268,437 | 9,118,392 |
| Catering, restaurant/food hall revenue | | 1,301,460 | 1,207,128 |
| Holiday market royalties and reimbursements | | 3,374,878 | 2,330,289 |
| | | 14,944,775 | 12,655,809 |
| Sponsorship revenue | | 3,290,505 | 3,044,315 |
| Total Winter Village revenue | $ | 18,235,280 | 15,700,124 |

No admission is charged for skating at the Village. The costs associated with the Village operation are reported as a separate program.

**(6) Property and Equipment, Net**

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is provided on a straight-line basis over an estimated useful life of three to five years. Leasehold improvements are amortized over the estimated useful lives of the improvements or the lease terms, if shorter.

At June 30, 2024 and 2023, property and equipment, net consisted of the following:

| | | 2024 | 2023 |
|---|---|---|---|
| Furniture and equipment | $ | 2,807,427 | 2,390,243 |
| Leasehold improvements | | 231,991 | 231,991 |
| | | 3,039,418 | 2,622,234 |
| Accumulated depreciation and amortization | | (2,244,585) | (2,087,584) |
| Property and equipment, net | $ | 794,833 | 534,650 |

BPC wrote-off $25,848 and $182,583 of obsolete furniture and equipment, primarily damaged park chairs, tables and umbrellas during the years ended June 30, 2024 and 2023, respectively.

**(7) Pension Benefits**

BPC has a defined-contribution retirement plan covering all personnel. Pension cost for the years ended June 30, 2024 and 2023 was $175,476 and $158,492, respectively.

**(8) Lease Agreements**

On April 12, 2017, BPC and the Partnership amended their lease agreement at 5 Bryant Park (1065 Avenue of the Americas), New York, New York, to extend its term for an additional 10 years, commencing March 1, 2018. The original lease commenced on January 1, 2010 and was to expire February 28, 2018. BPC has been allocated its proportionate share, based on utilization, of the amortization of the right-of-use asset associated with this lease for the years ended June 30, 2023 and 2022. BPC's share of right-of-use amortization and rent expense amounted to $697,131 and $637,138 for the years ended June 30, 2024 and 2023, respectively.

BPC also leases basement storage space at 70 West 40th Street, New York, New York and warehouse space in Warwick, New York. The lease for the 40th Street space commenced on August 15, 2008 and was to expire on August 31, 2023. On July 23, 2023, BPC executed a third extension of lease agreement, extending the term through August 31, 2033. Right-of-use amortization and rent expense for this space was $52,259 and $49,563 for the years ended June 30, 2024 and 2023, respectively. On July 8, 2021, BPC entered into a lease for warehouse space at 122 State School Road, Warwick, New York which commenced on August 15, 2021. An agreement dated December 7, 2022 extended the lease, which was to expire on August 15, 2023, through July 31, 2025. Right-of-use amortization and rent expense for the State School Road space was $106,573, net of reimbursement for storage space used of $5,609 and



(Continued)

$96,090, net of reimbursement of $5,057 received from the Partnership, for the years ended June 30, 2024 and 2023, respectively.

The future minimum lease payments, based on current allocation percentages, are as follows:

| | | 40th Street | State School Warwick | 5 Bryant Park | Total |
|---|---|---|---|---|---|
| Year ending June 30: | | | | | |
| 2025 | $ | 36,000 | 107,949 | 619,653 | 763,602 |
| 2026 | | 36,000 | 9,018 | 675,986 | 721,004 |
| 2027 | | 36,000 | — | 675,986 | 711,986 |
| 2028 | | 36,000 | — | 450,657 | 486,657 |
| 2029 | | 36,000 | — | — | 36,000 |
| Thereafter | | 150,000 | — | — | 150,000 |
| Total | | 330,000 | 116,967 | 2,422,282 | 2,869,249 |
| Less: | | | | | |
| Interest | | 52,437 | 2,950 | 22,943 | 78,330 |
| Lease liability | $ | 277,563 | 114,017 | 2,399,339 | 2,790,919 |

As of June 30, 2024, BPC is jointly liable for total lease commitments of $3,884,351 at 5 Bryant Park.

The weighted average remaining lease term and the weighted average discount rate for operating leases are 4.64 years and 2.925% and 5.64 years and 2.925% at June 30, 2024 and 2023, respectively.

In addition to rent received for the Restaurant (note 4), BPC receives monthly license fees from the operators of five food concession kiosks and two newsstands in the Park, as well as, the ad panels thereon. The food kiosk licenses expire on March 31, 2025. The newsstands and ad panel licenses expire May 31, 2027 and 2028, respectively.

The future minimum license fees under the concession license agreements are as follows:

| | | |
|---|---|---|
| Year ending June 30: | | |
| 2025 | $ | 900,636 |
| 2026 | | 147,565 |
| 2027 | | 154,143 |
| | $ | 1,202,344 |

License fees of $1,984,368 and $1,672,147 are included in concessions revenue on the statement of activities for the years ended June 30, 2024 and 2023, respectively.



(Continued)

**(9) Litigation**

The Organizations are defendants in various legal actions arising out of the normal course of their operations. Although the final outcome of such actions cannot currently be determined, management is of the opinion that eventual liability, if any, will not have a material adverse effect on the consolidated financial position of the Organizations.

**(10) Related Parties**

The Partnership is a business improvement district with which the Organizations share common management and office space. The Partnership was indebted to the Organizations for its net proportionate share of certain joint revenues and expenses in the amount of $408,248 and $701,918 at June 30, 2024 and 2023, respectively.

A vice-president of the Organizations' landlord, for their office space at 5 Bryant Park, as described in note 8, is a member of the BPMC board of directors. Similarly, the vice-president for the agent of the owners of the building at 70 West 40th Street, where the Organizations lease basement storage space as described in note 8, is a member of the BPMC board of directors. In each case, the Organizations pay a market rent, and the relationships are disclosed in the board members' conflict of interest disclosures.

**(11) Bank Loan**

On December 27, 2021, Amendment Number 4 of the Organizations' term loan agreement with New York Commercial Bank (NYCB) dated September 27, 2011 extended the maturity date of the loan to December 27, 2026. Amendment Number 3 to the Term Loan Agreement, dated September 27, 2021 had extended the maturity date to December 27, 2021. The amended loan, in the original principal amount of $2,660,598, bears interest at an annual rate of 4.3% and is payable over five years. The proceeds of the loan were used to finance a new underground power facility in Bryant Park (included in district improvements). Under the loan agreement, NYCB has a security interest in the Organizations' assessments and all funds maintained with NYCB (approximately $1,122,825 at June 30, 2024).

Interest expense on the term loan was $78,095 and $86,162 for the years ended June 30, 2024 and 2023, respectively.

**(12) Subsequent Events**

In connection with the preparation of the consolidated financial statements, the Organizations evaluated subsequent events after the balance sheet date of June 30, 2024 through November 6, 2024, which was the date the consolidated financial statements were available for issuance. No subsequent events were identified that would require disclosure or recognition in the consolidated financial statements.