



CENTRAL PARK CONSERVANCY, INC.

Financial Statements

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)



KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report

The Board of Trustees
Central Park Conservancy, Inc.:

Opinion

We have audited the financial statements of Central Park Conservancy, Inc. (the Conservancy), which comprise the balance sheets as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Conservancy as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are required to be independent of the Conservancy and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 financial statements.



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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Conservancy's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Conservancy's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

KPMG LLP

Short Hills, New Jersey
November 23, 2022

CENTRAL PARK CONSERVANCY, INC.

Balance Sheets

June 30, 2022 and 2021

(Dollars in thousands)

Assets	2022	2021
Cash	\$ 3,977	1,278
Short-term investments (note 3)	32,686	54,773
Short-term investments, Harlem Meer Outdoor Center (note 3)	54,241	46,824
Accounts receivable (note 11)	1,823	7,189
Accounts receivable, Harlem Meer Center (note 1)	8,901	—
Prepaid expenses and other assets	2,309	1,822
Contributions receivable, net (note 4)	26,991	14,315
Contributions receivable, Harlem Meer Outdoor Center, net (note 4)	21,454	42,221
Investments held by endowment (note 3)	313,423	306,200
Other long-term investments (note 3)	52,937	20,804
Investments held under split-interest agreements	1,350	1,633
457(b) deferred compensation plan (note 9)	2,754	3,002
Fixed assets, net (note 5)	1,710	2,407
Total assets	\$ 524,556	502,468
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 16,630	11,737
Deferred revenue	121	1,252
Liabilities under split-interest agreements	939	993
Other liabilities	137	77
Loan payable (note 10(b))	—	5,428
457(b) deferred compensation plan liability (note 9)	2,754	3,002
Total liabilities	20,581	22,489
Net assets:		
Without donor restrictions:		
Available for operations	7,663	7,476
Held for long-term purposes (notes 6 and 7)	37,223	21,295
Board-designated as quasi-endowments (notes 6 and 7)	98,298	78,267
Total net assets without donor restrictions	143,184	107,038
With donor restrictions:		
Time and purpose (notes 6 and 7)	74,741	61,897
Time and purpose – Harlem Meer Outdoor Center (notes 6 and 7)	82,881	88,618
For endowment (notes 6 and 7)	203,169	222,426
Total net assets with donor restrictions	360,791	372,941
Total net assets	503,975	479,979
Total liabilities and net assets	\$ 524,556	502,468

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.
Statement of Activities
Year ended June 30, 2022
(with comparative summarized totals for 2021)
(Dollars in thousands)

	Without donor restrictions			With donor restrictions	Total	
	Operations	Board designated	Total		2022	2021
Revenue, gains (losses), and other support:						
Contributions (note 4)	\$ 23,940	52,931	76,871	30,479	107,350	37,713
Contributions, Harlem Meer Outdoor Center (note 13)	—	—	—	303	303	92,970
Revenue from the City of New York:						
Contract revenue (note 11)	2,436	—	2,436	—	2,436	7,683
Project revenue, Harlem Meer Outdoor Center (note 1)	11,498	—	11,498	—	11,498	—
Project revenue (note 11)	6	—	6	—	6	6,712
Special events revenue	8,044	—	8,044	—	8,044	4,422
Less: expenses incurred for direct donor benefits	(2,292)	—	(2,292)	—	(2,292)	(801)
Special events revenue, net	5,752	—	5,752	—	5,752	3,621
Investment (loss) return, net	(903)	(7,370)	(8,273)	(15,227)	(23,500)	63,950
Change in value of split-interest agreements	—	(66)	(66)	—	(66)	(74)
Other (note 8)	2,318	—	2,318	—	2,318	873
Forgiveness of Paycheck Protection Program loan (note 10)	5,428	—	5,428	—	5,428	—
Total revenue and gains	50,475	45,495	95,970	15,555	111,525	213,448
Net assets released from restrictions:						
Contributions and other revenue	29,383	(9,179)	20,204	(20,204)	—	—
Release from restrictions, Harlem Meer Outdoor Center	5,284	—	5,284	(5,284)	—	—
Administrative cost recovery	2,574	(357)	2,217	(2,217)	—	—
Total net assets released from restrictions	37,241	(9,536)	27,705	(27,705)	—	—
Total revenue, gains (losses), and other support	87,716	35,959	123,675	(12,150)	111,525	213,448
Expenses:						
Program services:						
Planning, design, and construction:						
Core planning, design, and construction	11,424	—	11,424	—	11,424	20,666
Harlem Meer Outdoor Center	16,782	—	16,782	—	16,782	4,152
Park operations:						
Horticulture, maintenance, and operations	26,654	—	26,654	—	26,654	22,952
Visitor experience	4,658	—	4,658	—	4,658	3,466
Helping other parks	3,878	—	3,878	—	3,878	2,997
Total program services	63,396	—	63,396	—	63,396	54,233
Supporting services:						
Fundraising	10,562	—	10,562	—	10,562	7,551
Management and general	13,571	—	13,571	—	13,571	11,593
Total supporting services	24,133	—	24,133	—	24,133	19,144
Total expenses	87,529	—	87,529	—	87,529	73,377
Increase (decrease) in net assets	187	35,959	36,146	(12,150)	23,996	140,071
Net assets at beginning of year	7,476	99,562	107,038	372,941	479,979	339,908
Net assets at end of year	\$ 7,663	135,521	143,184	360,791	503,975	479,979

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Activities

Year ended June 30, 2021

(Dollars in thousands)

	Without donor restrictions			With donor restrictions	Total 2021
	Operations	Board designated	Total		
Revenue, gains (losses), and other support:					
Contributions (note 4)	\$ 20,156	8,122	28,278	9,435	37,713
Contributions, Harlem Meer Outdoor Center (note 13)	—	—	—	92,970	92,970
Revenue from the City of New York:					
Contract revenue (note 11)	7,683	—	7,683	—	7,683
Project revenue (note 11)	6,712	—	6,712	—	6,712
Special events revenue	4,422	—	4,422	—	4,422
Less: expenses incurred for direct donor benefits	(801)	—	(801)	—	(801)
Special events revenue, net	3,621	—	3,621	—	3,621
Investment (loss) return, net	(23)	16,712	16,689	47,261	63,950
Change in value of split-interest agreements	—	(74)	(74)	—	(74)
Other (note 8)	873	—	873	—	873
Total revenue and gains (losses)	39,022	24,760	63,782	149,666	213,448
Net assets released from restrictions:					
Contributions and other revenue	26,936	(6,055)	20,881	(20,881)	—
Release from restrictions, Harlem Meer Outdoor Center (note 13)	4,152	—	4,152	(4,152)	—
Administrative cost recovery	2,558	(205)	2,353	(2,353)	—
Total net assets released from restrictions	33,646	(6,260)	27,386	(27,386)	—
Total revenue, gains (losses), and other support	72,668	18,500	91,168	122,280	213,448
Expenses:					
Program services:					
Planning, design, and construction:					
Core planning, design, and construction	20,666	—	20,666	—	20,666
Harlem Meer Outdoor Center (note 13)	4,152	—	4,152	—	4,152
Park operations:					
Horticulture, maintenance, and operations	22,952	—	22,952	—	22,952
Visitor experience	3,466	—	3,466	—	3,466
Helping other parks	2,997	—	2,997	—	2,997
Total program services	54,233	—	54,233	—	54,233
Supporting services:					
Fundraising	7,551	—	7,551	—	7,551
Management and general	11,593	—	11,593	—	11,593
Total supporting services	19,144	—	19,144	—	19,144
Total expenses	73,377	—	73,377	—	73,377
(Decrease) increase in net assets	(709)	18,500	17,791	122,280	140,071
Net assets at beginning of year	8,185	81,062	89,247	250,661	339,908
Net assets at end of year	\$ 7,476	99,562	107,038	372,941	479,979

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Functional Expenses

Year ended June 30, 2022

(with comparative summarized totals for 2021)

(Dollars in thousands)

	Program services						Supporting services				Total	
	Planning, design and construction		Park operations				Fundraising	Management and general	Total	2022	2021	
	Core planning, design, and construction	Harlem Meer Outdoor Center	Horticulture, maintenance, and operations	Visitor experience	Helping other parks	Total						
Salaries	\$ 2,767	366	13,268	2,073	1,552	20,026	3,494	6,791	10,285	30,311	26,674	
Payroll taxes and employee benefits	877	117	4,234	654	483	6,365	1,094	2,006	3,100	9,465	7,840	
Total salaries and related expenses	3,644	483	17,502	2,727	2,035	26,391	4,588	8,797	13,385	39,776	34,514	
Contracted services:												
Construction and design	3,636	13,028	365	24	—	17,053	—	—	—	17,053	14,730	
Landscape	—	—	2,909	—	21	2,930	—	—	—	2,930	1,846	
Facilities maintenance	17	—	825	14	84	940	46	14	60	1,000	1,090	
Consulting	1,737	3,214	150	323	584	6,008	1,915	2,202	4,117	10,125	9,611	
Mailings	—	—	—	—	—	—	691	—	691	691	491	
Other	9	5	11	87	22	134	2,131	—	2,246	2,380	907	
Total contracted services	5,399	16,247	4,260	448	711	27,065	4,783	2,331	7,114	34,179	28,675	
Grant awards	5	—	118	—	146	269	—	95	95	364	288	
Materials, equipment, and supplies	416	33	1,569	499	50	2,567	166	44	210	2,777	2,132	
Printing and publications	13	17	2	92	4	128	157	78	235	363	278	
Conferences, conventions, and meetings	3	—	47	12	85	147	22	230	252	399	165	
Postage, shipping, and messenger	8	2	63	43	2	118	296	21	317	435	372	
Travel	2	—	33	4	—	39	7	4	11	50	29	
Equipment maintenance and rentals	186	2	811	173	169	1,341	448	272	720	2,061	2,041	
Insurance	86	—	171	69	75	401	219	235	454	855	591	
Occupancy	267	—	558	223	245	1,293	712	223	935	2,228	1,905	
Advertising	—	—	—	7	2	9	119	792	911	920	414	
Miscellaneous	1,176	(2)	841	286	276	2,577	837	338	1,175	3,752	967	
Contributed services	33	—	69	28	30	160	411	28	439	599	569	
	2,195	52	4,282	1,436	1,084	9,049	3,394	2,360	5,754	14,803	9,751	
Total expenses before depreciation and amortization	11,238	16,782	26,044	4,611	3,830	62,505	12,765	13,488	26,253	88,758	72,940	
Depreciation and amortization	186	—	610	47	48	891	89	83	172	1,063	1,238	
Total expenses inclusive of direct donor benefits	11,424	16,782	26,654	4,658	3,878	63,396	12,854	13,571	26,425	89,821	74,178	
Less: Expenses incurred for direct donor benefits	—	—	—	—	—	—	(2,292)	—	(2,292)	(2,292)	(801)	
Total expenses – 2022	\$ 11,424	16,782	26,654	4,658	3,878	63,396	10,562	13,571	24,133	87,529		
Total expenses – 2021	\$ 20,666	4,152	22,952	3,466	2,997	54,233	7,551	11,593	19,144		73,377	

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Functional Expenses

Year ended June 30, 2021

(Dollars in thousands)

	Program services					Supporting services				Total 2021
	Planning, design and construction		Park operations			Fundraising	Management and general	Total		
	Core planning, design, and construction	Harlem Meer Outdoor Center	Horticulture, maintenance, and operations	Visitor experience	Helping other parks				Total	
Salaries and related expenses:										
Salaries	\$ 2,535	392	11,690	1,889	1,446	17,952	2,977	5,745	8,722	26,674
Payroll taxes and employee benefits	726	117	3,549	568	428	5,388	869	1,583	2,452	7,840
Total salaries and related expenses	3,261	509	15,239	2,457	1,874	23,340	3,846	7,328	11,174	34,514
Contracted services:										
Construction and design	14,370	51	309	—	—	14,730	—	—	—	14,730
Landscape	—	—	1,846	—	—	1,846	—	—	—	1,846
Facilities maintenance	15	—	988	10	34	1,047	33	10	43	1,090
Consulting	1,444	3,581	183	264	349	5,821	1,155	2,635	3,790	9,611
Mailings	—	—	—	—	—	—	477	14	491	491
Other	3	—	2	9	6	20	750	137	887	907
Total contracted services	15,832	3,632	3,328	283	389	23,464	2,415	2,796	5,211	28,675
Grant awards	12	—	110	4	162	288	—	—	—	288
Materials, equipment, and supplies	538	6	1,291	134	22	1,991	113	28	141	2,132
Printing and publications	10	2	5	40	3	60	159	59	218	278
Conferences, conventions, and meetings	8	—	25	15	30	78	8	79	87	165
Postage, shipping, and messenger	47	3	51	15	3	119	230	23	253	372
Travel	1	—	21	1	—	23	2	4	6	29
Equipment maintenance and rentals	262	—	1,006	130	121	1,519	355	167	522	2,041
Insurance	91	—	142	57	62	352	182	57	239	591
Occupancy	228	—	476	190	209	1,103	609	193	802	1,905
Advertising	—	—	1	10	8	19	120	275	395	414
Miscellaneous	26	—	461	25	16	528	64	375	439	967
Contributed services	73	—	156	68	47	344	152	73	225	569
	1,296	11	3,745	689	683	6,424	1,994	1,333	3,327	9,751
Total expenses before depreciation and amortization	20,389	4,152	22,312	3,429	2,946	53,228	8,255	11,457	19,712	72,940
Depreciation and amortization	277	—	640	37	51	1,005	97	136	233	1,238
Total expenses inclusive of direct donor benefits	20,666	4,152	22,952	3,466	2,997	54,233	8,352	11,593	19,945	74,178
Less: Expenses incurred for direct donor benefits	—	—	—	—	—	—	(801)	—	(801)	(801)
Total expenses – 2021	\$ 20,666	4,152	22,952	3,466	2,997	54,233	7,551	11,593	19,144	73,377

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statements of Cash Flows

Years ended June 30, 2022 and 2021

(Dollars in thousands)

	2022	2021
Cash flows from operating activities:		
Increase in net assets	\$ 23,996	140,071
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	1,063	1,238
Net depreciation (appreciation) in fair value on investments	23,500	(63,950)
Change in value of split-interest agreements	283	74
Contributions and earnings with restrictions, classified as financing activities	(3,264)	(7,154)
Forgiveness of Paycheck Protection Program loan	(5,428)	—
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(3,535)	1,329
Increase in prepaid expenses and other assets	(487)	(472)
Decrease (increase) in contributions receivable, net of amounts classified as financing activities	8,091	(37,644)
Increase in accounts payable and accrued expenses	4,893	3,225
Decrease in deferred revenue	(1,131)	(30,612)
Increase (decrease) in other liabilities	60	(147)
Net cash provided by operating activities	48,041	5,958
Cash flows from investing activities:		
Proceeds from sale of investments	289,915	166,260
Purchases of investments	(338,101)	(181,668)
Acquisition of fixed assets	(366)	(364)
Net cash used in investing activities	(48,552)	(15,772)
Cash flows from financing activities:		
Contributions and earnings with restrictions	3,264	7,154
Net change in liabilities under split-interest agreements	(54)	(56)
Net cash provided by financing activities	3,210	7,098
Net increase (decrease) in cash	2,699	(2,716)
Cash at beginning of year	1,278	3,994
Cash at end of year	\$ 3,977	1,278
Supplemental disclosures:		
Noncash financing activity:		
Forgiveness of Paycheck Protection Program loan, plus accrued interest	\$ 5,428	—

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

(1) Organization

The Central Park Conservancy, Inc. (the Conservancy) is a not-for-profit organization incorporated under the laws of New York State and is a tax-exempt organization under the Internal Revenue Code.

The Conservancy is funded primarily from contributions made by individuals, corporations, and foundations within the metropolitan area, as well as project and contract revenue from the City of New York, Department of Parks and Recreation. These amounts are used to fund capital improvements, provide horticultural care and maintenance, and offer programs for volunteers and visitors of Central Park. Additionally, through the Central Park Conservancy Institute for Urban Parks, the Conservancy provides training and maintenance support in other NYC parks and other urban parks nationally. The capital improvements are not capitalized assets of the Conservancy but are assets of the City of New York.

The Conservancy entered into a sole source agreement with the City of New York, Department of Parks and Recreation, to reconstruct the pool and ice rink facilities at the Harlem Meer. With an estimated cost of \$150 million, the Conservancy secured pledge agreements with four donors to provide \$100 million (collectively) in funding to be paid over a five-year period. In addition to the donor contributions, the City of New York has committed \$50 million in funding to support design and construction services. The Harlem Meer Outdoor Center project is expected to span five years with an estimated completion date in 2024. Upon completion, the Conservancy will continue to manage operations at the Harlem Meer Outdoor Center in accordance with the management agreement. In fiscal year 2022, the Conservancy recognized and expended \$11,498 for project revenue relating to such agreement. At June 30, 2022, the related receivable was \$8,901.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Basis of Presentation

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Conservancy and changes therein are classified and reported as follows:

Net assets without donor restrictions are categorized as follows:

- Available for operations are net assets not subject to donor-imposed restrictions or Board of Trustees (Board) designations; and
- Board-designated held for long-term purposes are net assets designated by the Board to be used for particular purposes; and
- Board-designated as quasi-endowment net assets include net assets designated by the Board to be treated as endowment and these amounts also include related appreciation on investments.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

Net assets with donor restrictions are categorized as follows:

- Time and purpose net assets are subject to donor-imposed restrictions that will be met either by actions of the Conservancy and/or the passage of time; and
- Endowment net assets permit the Conservancy to use all or part of the income earned on related investments for general or specific purposes but require the Conservancy to hold the original gift in perpetuity. Both the original gift and the appreciation on investment are included in this category.

Revenues, gains (losses), and other support are reported as increases (decreases) in net assets without restrictions unless their use is limited by explicit donor-imposed restrictions or by law. Expenses are reported as decreases in net assets without restrictions. Expirations of restrictions on net assets with restrictions (i.e., the donor-imposed stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

(c) Contributions

Contributions, which include unconditional promises to give (pledges), are recognized as revenues in the period in which the pledge or cash is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, net of allowances. Conditional promises to give are not recognized until they become unconditional.

A contribution, gift, or grant is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. The presence of both a barrier and a right of return or right of release indicates that a recipient's contribution, gift, or grant is not recognized until it becomes unconditional, that is, when the barrier(s) in the agreement is (are) overcome.

(d) Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell 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 Conservancy discloses fair value measurements by level in a hierarchy within the scope of U.S. GAAP, that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are:

Level 1 Inputs that reflect unadjusted quoted or published prices in active markets for identical assets or liabilities that the Conservancy has the ability to access at the measurement date.

Level 2 Inputs other than quoted or published prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

(e) Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted market prices with gains and losses included in the statements of activities. Donated securities are measured at fair value at the date of the contribution.

The Conservancy follows the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASC Topic 820), relating to certain investments in funds that do not have readily determinable fair values, including private equities, hedge funds, real estate, and other funds (alternative investments). ASC Topic 820 allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value (NAV) per share or its equivalent, as provided by the investment managers. The Conservancy reviews and evaluates the reasonableness of the valuations and assumptions used by the investment managers in determining the NAVs of these investments. These estimated fair values may differ significantly from the values that would have been used had a ready market for these securities existed.

(f) Income Taxes

The Conservancy follows the provisions of ASC Topic 740, *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities* (ASC Topic 740), in conjunction with its adoption of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (now included in Accounting Standards Codification (ASC) Subtopic 740-10, *Income Taxes – Overall*). The Conservancy recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Income generated from activities unrelated to the Conservancy's exempt purpose is subject to tax. The Conservancy did not have any material unrelated business income tax liabilities for the years ended June 30, 2022 and 2021.

(g) Fixed Assets

Fixed assets are recorded at cost. Furniture and equipment are depreciated using the straight-line method over their estimated useful lives. Leasehold improvements are amortized over the term of the lease or life of the asset, whichever is shorter.

(h) Split-Interest Agreements

The Conservancy's split-interest agreements with donors consist primarily of charitable gift annuities and irrevocable charitable remainder trusts for which the Conservancy serves as trustee. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements. The investments held under split-interest agreements are invested principally in mutual funds, which are valued as of June 30 using level 1 inputs in the fair value hierarchy.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

Contribution revenue for charitable gift annuities and charitable remainder trusts is recognized at the date the agreement is established, net of the liability recorded for the present value of the estimated future payments to be made to the respective donors and/or other beneficiaries.

The present value of payments to beneficiaries of charitable gift annuities and charitable remainder trusts is calculated using discount rates, which represent the risk-adjusted rates in existence at the date of the gift. Gains or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset class in the accompanying statements of activities.

(i) Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Conservancy considers highly liquid investments purchased with an original maturity of three months or less, other than those held in the investment portfolio, to be cash equivalents.

(j) Use of Estimates

The preparation of 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 contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the valuation of investments. Other estimates and assumptions include the allowance for doubtful accounts and the allocation of functional expenses.

(k) Functional Allocation of Expenses

The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Conservancy are reported as expenses of those functional areas. A portion of administration and technology costs that benefit multiple functional areas (indirect costs) have been allocated across programs and other supporting services based on headcount.

Program services include planning, design, and construction and the Harlem Meer Outdoor Center. The Harlem Meer Outdoor Center project will have a four-year duration and is reported separately because of the scale of the project as compared to historical projects. Park operations include horticulture, maintenance and operations, visitor experience, and helping other parks.

(l) Risks and Uncertainties

The Conservancy invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

COVID-19 has continued to impact the operations of the Conservancy, which performs an 'essential' function for the City of New York (as defined by NYS Executive order 202.6) by maintaining Central Park. Central Park has remained open throughout the crisis, during which use has continued at a high level as Central Park has continued to be a refuge vital to the health of New Yorkers. Failure to maintain the Park at current levels could negatively impact the Conservancy's significant investment and may cause irreparable reputational damage with its donors and the public.

In March 2020, state and local governments in New York declared a State of Emergency and issued a Civil Order of Shutdown. The restrictions imposed by these orders resulted in the closure of all concessions in Central Park and imposed prohibitions on large public gatherings, which forced the Conservancy to cancel all its spring and summer fundraising events.

These restrictions continued in fiscal year 2021 causing a reduction in concessions and other revenue (gift shops, retail stores, and tours). Concessions remained closed through October and were not reopened until November 2020 at limited capacity. Contribution revenue was impacted due to social distancing restrictions that limited the scale of event-based fundraising and the operations contract payment to the Conservancy decreased due to closed concessions and its related impact on the operating fee.

In fiscal year 2021, the Conservancy voluntarily implemented the following budget austerity measures: (a) a hiring freeze was implemented; (b) all employee salaries were frozen; (c) executive compensation was reduced; and (d) nonpersonnel operating costs (including contracted services and consulting services) were limited. Notwithstanding implementation of the foregoing austerity measures, the Conservancy continued to maintain Central Park at prepandemic levels as required under its Management Agreement with the City of New York and the Department of Parks and Recreation and continued to provide operational support and perform maintenance work in under-resourced NYC parks in all five boroughs across NYC, incurring additional expenses to help maintain these parks at pre-COVID-19 levels.

The COVID-19 pandemic has negatively affected national, state, and local economies and global financial markets. While the financial impact on the Conservancy cannot be quantified at this time, the Conservancy does not anticipate that the pandemic will have a material adverse effect on the current and future financial profile and operating performance of the Conservancy. The Conservancy continues to monitor the course of the pandemic and is prepared to take additional measures to protect the health of New Yorkers and promote the continuity of the Conservancy's mission.

(m) Adoption of Accounting Pronouncements

During fiscal year 2022, the Conservancy adopted FASB Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). This ASU requires that contributed nonfinancial assets be presented as a separate line in the statement of activities, apart from contributions of cash and other financial assets. This ASU also requires expanded footnote disclosures relating to contributed nonfinancial assets to be included in a not-for-profit entity's financial statements. The adoption of this ASU did not have a significant impact on the Conservancy's financial statements.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

(n) Recent Accounting Pronouncements

In addition, the FASB issued ASU 2016-02: *Leases*. The FASB issued this ASU to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The amendments in ASU 2016-02 are effective for public business entities in fiscal years beginning after December 15, 2018 (calendar 2019 and fiscal 2020 year-ends). All other entities must apply the amendments in this Update in fiscal years beginning after December 15, 2019 (calendar 2020 and fiscal 2021 year-ends). In response to the ongoing impacts of the coronavirus (COVID-19) pandemic, the FASB issued ASU 2020-05: *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842), Effective Dates for Certain Entities*, which provides all other entities with the optional deferral of the effective date for this ASU to fiscal years beginning after December 15, 2021. Therefore, the guidance is effective for the Conservancy's fiscal year 2023. The Conservancy is currently evaluating the impact this standard will have on its financial statements.

(o) Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

(3) Investments

All investments are considered Level 1 in the fair value hierarchy, except for investments reported at NAV (or its equivalent).

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

A summary of the fair value of investments at June 30, 2022 and 2021 is as follow:

	2022	2021
Short-term investments:		
Money market funds	\$ 32,686	54,773
Money market funds, Harlem Meer Outdoor Center	54,241	46,824
Total short-term investments	\$ 86,927	101,597
Investments held by endowment:		
Invested cash	\$ 26,431	15,181
Domestic equities	32,757	24,445
Foreign equities	50,280	35,414
	109,468	75,040
Investments reported at NAV (or its equivalent):		
Real estate	24,482	48,441
Absolute return	85,889	84,880
Private equities	49,000	44,030
Public equities	35,039	45,567
Natural resources	9,545	8,242
Total investments reported at NAV (or its equivalent)	203,955	231,160
Total investments held by endowment	\$ 313,423	306,200
Other long-term investments:		
Invested cash	\$ 11,385	1,219
U.S. Treasury bonds	41,552	19,585
Total other long-term investments	\$ 52,937	20,804

Included in investments held by endowment are amounts that have been appropriated by the Board and spent in accordance with the endowment purpose of \$12,266 and \$5,520 at June 30, 2022 and 2021, respectively, that have not yet been drawn and remain as part of the investment portfolio (notes 7 and 12).

Under the terms of the limited partnership agreements, the Conservancy is obligated to periodically advance additional funding for its partnership investments. The unfunded commitments have not been recorded as a liability in the accompanying balance sheets. Such commitments generally have fixed expiration dates or other termination clauses. The Conservancy maintains sufficient liquidity in its investment portfolio to cover such calls. As of June 30, 2022, the Conservancy committed approximately 56% of the total investment balance (excluding short-term investments) in alternative investments.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

The following table presents the strategies and related redemption information and unfunded commitments to the Conservancy's investments held for endowment measured at NAV as of June 30, 2022 and 2021:

		2022			
		<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Investments held for endowment at NAV:					
Real estate	\$	24,482	14,192	None	None
Absolute return		85,889	19,768	None, monthly, quarterly, biennial	None, 30 days, 45 days, 90 days
Private equities		49,000	35,514	None	None
Public equities		35,039	—	Weekly, monthly, quarterly	7 days, 45 days, 60 days
Natural resources		9,545	618	None, annual	None, 60 days
	\$	<u>203,955</u>	<u>70,092</u>		
		2021			
		<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency</u>	<u>Redemption notice period</u>
Investments held for endowment at NAV:					
Real estate	\$	48,441	16,314	None	None
Absolute return		84,880	23,141	None, monthly, quarterly, biennial	None, 45 days, 90 days
Private equities		44,030	30,993	None	None
Public equities		45,567	—	Weekly, monthly, quarterly	7 days, 45 days, 60 days
Natural resources		8,242	715	None, annual	None, 60 days
	\$	<u>231,160</u>	<u>71,163</u>		

Other Long-Term Investments

During fiscal year 2013, one board member made a contribution of \$100,000 to the Conservancy and required that \$50,000 of the gift be invested in specific alternative investment funds (the Funds) that are managed by his firm and charged usual and customary fees.

Notwithstanding any provisions of any of the invested Funds, or any rights set forth in any Fund's Offering Memorandum or Articles of Association to the contrary, the Conservancy agreed not to submit requests for redemption until 2018 without obtaining the mutual consent of the donor and the Conservancy.

Furthermore, in years 2018 through 2022, the Conservancy agreed that it shall (i) only submit requests for

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

redemption of no more than 10% of the balance of the total of its investment in all funds valued at the end of the prior year, and (ii) use such redemptions strictly for capital expenditures (and related operating expenses) unless the mutual consent of the Donor and the Conservancy is obtained.

During fiscal year 2021, notwithstanding the agreed-upon terms of the gift, the fund manager compulsorily redeemed 100% of the Conservancy's remaining investment in the Funds. The value of the funds at the redemption date was \$18,325. Total redemptions over the life of the investment were \$25,994.

As of the balance sheet date, the Conservancy no longer has any investment in the Funds.

(4) Contributions Receivable

Contributions receivable at June 30, 2022 and 2021 are due to be collected as follows:

	2022	2021
Less than one year	\$ 7,104	10,538
One to five years	17,509	3,804
Five years and thereafter	4,397	397
	29,010	14,739
Allowance	(288)	(288)
Discount to present value (at rates ranging from 0.31% to 2.78%)	(1,731)	(136)
Contributions receivable, net	\$ 26,991	14,315
Harlem Meer Outdoor Center:		
Less than one year	21,355	21,169
One to five years	100	21,356
	21,455	42,525
Discount to present value (at rates ranging from 0.31% to 1.83%)	(1)	(304)
Contributions receivable, Harlem Meer Outdoor Center, net	\$ 21,454	42,221

Three donors comprised approximately 68% and 7% of operating contribution revenue for the years ended June 30, 2022 and 2021, respectively. Three donors comprised approximately 89% of contribution revenue for Harlem Meer Outdoor Center for the year ended June 30, 2021. No additional operating contribution revenue was recognized for Harlem Meer during the year ended June 30, 2022.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

(5) Fixed Assets

A summary of fixed assets at June 30, 2022 and 2021 is as follows:

	2022	2021	Estimated useful lives
Furniture and fixtures	\$ 1,804	1,510	5 to 10 years
Office and field equipment	10,366	10,034	3 to 5 years
Leasehold improvements	2,258	2,518	10 years
	14,428	14,062	
Less: accumulated depreciation and amortization	(12,718)	(11,655)	
	\$ 1,710	2,407	

(6) Net Assets

(a) Without Donor Restrictions

Net assets without donor restrictions are available for the following purposes at June 30, 2022 and 2021:

	2022	2021
Held for long-term purposes:		
Planning, design, and construction	\$ 37,233	21,295
Board designated as quasi-endowments:		
Planning, design, and construction	\$ 41,645	15,319
Horticulture, maintenance, and operations	10,943	12,215
Visitor experience	142	159
General purposes	45,568	50,574
	\$ 98,298	78,267

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

(b) With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Time and purpose:		
Planning, design, and construction	\$ 62,788	47,834
Planning, design, and construction, Harlem Meer Center	82,881	88,618
Horticulture, maintenance, and operations	8,035	8,701
Visitor experience	477	588
Helping other parks	1,977	3,534
General purposes	1,464	1,240
	<u>\$ 157,622</u>	<u>150,515</u>
For endowment:		
Horticulture, maintenance, and operations	\$ 158,762	173,827
Visitor experience	8,851	9,883
General purposes	35,556	38,716
	<u>\$ 203,169</u>	<u>222,426</u>

(7) Endowment Funds

The Conservancy's endowment consisted of 92 and 91 individual funds at June 30, 2022 and 2021, respectively, established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of the Conservancy to be treated as endowments (quasi-endowment).

The Conservancy's management and investment of donor-restricted endowment funds have historically been subject to the provisions of the Uniform Management of Institutional Funds Act (UMIFA) and the New York State Trust Laws. In 2006, the Uniform Law Commission approved the model act, the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which serves as a guideline for states to use in enacting legislation. Among UPMIFA's most significant changes was the elimination of UMIFA's important concept of historical dollar-value threshold, the amount below which an organization could not spend from the fund in favor of a more robust set of guidelines about what constitutes prudent spending. In fiscal year 2011, New York State enacted the New York Prudent Management of Institutional Funds Act (NYPMIFA).

Pursuant to the investment policy approved by the Board, the Conservancy has interpreted the NYPMIFA as allowing the Conservancy to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as the Conservancy deems prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument absent explicit donor stipulations to the contrary.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

The Conservancy's Board of Trustees has authorized a policy designed to preserve the value of these pooled investments in real terms (after inflation) and provide a predictable flow of funds to support operations. The Conservancy's investment pool includes contributions, interest, dividends, and realized and unrealized gains and losses, net of investment management fees. The policy permits the use of a spending rate of up to a maximum of 6% applied to a moving average of the value of the investment pool as of December 31 of the five previous years. In both fiscal years 2022 and 2021, the Conservancy utilized a rate of 4.5% of the total investment pool. In fiscal years 2022 and 2021, the related amounts that were appropriated for use to support operations were \$10,290 and \$9,588, respectively.

In general terms, the Conservancy's investment objective is to seek maximum total return—defined as dividend and interest earnings plus any appreciation in market value—consistent with agreed-upon levels of risk. More specifically, the Conservancy seeks returns large enough to provide an additional return beyond the sum of the current spending rate and provisions for inflation.

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the law requires to retain as a fund of perpetual duration. This results from unfavorable market fluctuations subsequent to the investment of contributions with donor restrictions. Any changes to the fair value of such deficiencies are included in the net assets with donor restrictions. There were no such deficiencies at June 30, 2022 and 2021.

The following tables reflect the activity in the net asset classes of the Conservancy's donor-restricted and board-designated endowment funds:

		Year ended June 30, 2022			
		Without donor restrictions	With donor restrictions		Total
		Corpus	Accumulated gains		
Net assets, June 30, 2021	\$	78,267	128,974	93,452	300,693
Investment loss, net		(7,209)	(1,800)	(13,462)	(22,471)
Contributions and other transfers		30,271	3,264	—	33,535
Appropriation of endowment assets for expenditure		(3,031)	—	(7,259)	(10,290)
Net assets, June 30, 2022	\$	<u>98,298</u>	<u>130,438</u>	<u>72,731</u>	<u>301,467</u>
Composition of net assets as of June 30, 2022:					
Held for endowment	\$	—	130,438	72,731	203,169
Board-designated as quasi endowment funds		<u>98,298</u>	<u>—</u>	<u>—</u>	<u>98,298</u>
	\$	<u>98,298</u>	<u>130,438</u>	<u>72,731</u>	<u>301,467</u>

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

	Year ended June 30, 2021			
	Without donor restrictions	With donor restrictions		Total
		Corpus	Accumulated gains	
Net assets, June 30, 2020	\$ 64,612	103,495	56,122	224,229
Investment return, net	16,561	3,003	43,975	63,539
Contributions and other transfers	37	22,476	—	22,513
Appropriation of endowment assets for expenditure	(2,943)	—	(6,645)	(9,588)
Net assets, June 30, 2021	<u>\$ 78,267</u>	<u>128,974</u>	<u>93,452</u>	<u>300,693</u>
Composition of net assets as of June 30, 2021:				
Held for endowment	\$ —	128,974	93,452	222,426
Board-designated as quasi endowment funds	<u>78,267</u>	<u>—</u>	<u>—</u>	<u>78,267</u>
	<u>\$ 78,267</u>	<u>128,974</u>	<u>93,452</u>	<u>300,693</u>

(8) Other Revenue

A summary of other revenue at June 30, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Merchandise sales, program revenue, and fees	\$ 1,719	304
Contributed services and facilities	<u>599</u>	<u>569</u>
	<u>\$ 2,318</u>	<u>873</u>

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

The fair value of the contributed services and facilities is included as other revenue and allocated to functional expenses in the statements of activities as follows:

	<u>2022</u>	<u>2021</u>
Planning, design, and construction	\$ 33	73
Horticulture, maintenance, and operations	69	156
Visitor experience	28	68
Helping other parks	30	47
Fundraising	411	152
Management and general	<u>28</u>	<u>73</u>
	<u>\$ 599</u>	<u>569</u>

In addition, many individuals have volunteered their time to the Conservancy. The value of these services is not included in the accompanying financial statements.

(9) Retirement Plan

The Conservancy has a defined-contribution retirement plan (the Plan) under Section 403(b) of the Internal Revenue Code in which all employees, as defined, are eligible to participate. Participants may make voluntary contributions, subject to plan limitations, to be applied toward the mutual fund platform.

The Conservancy is obligated to contribute 5% of the employee's base compensation, for all eligible employees, as defined. The Conservancy is also obligated to match employee contributions up to a maximum of 1% of the employee's base compensation, for all eligible employees, as defined. For the years ended June 30, 2022, and 2021, the Conservancy contributed \$1,668 and \$1,306, respectively, to the Plan on behalf of its employees. All contributions vest immediately.

The Conservancy has a deferred compensation plan under Section 457(b) of the Internal Revenue Code. For the years ended June 30, 2022 and 2021, the Conservancy contributed \$451 and \$351, for 22 and 18 executives, respectively, to such plan.

(10) Commitments and Contingencies

(a) Paycheck Protection Program (PPP) Loan

On April 10, 2020, the Conservancy received loan proceeds in the amount of \$5,361 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business.

The Conservancy used the proceeds for qualifying payroll costs consistent with the PPP guidance. In August 2021, the Conservancy's Payroll Protection Program (PPP) loan of \$5,361 and related accrued interest of \$67 were fully authorized for forgiveness by the Small Business Administration. In August of

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

2022, the Conservancy recognized a total of \$5,428 of SBA Loan Forgiveness as extinguishment of debt.

(b) Lease

Effective July 1, 2011, the Conservancy extended the terms of its existing lease agreement to include additional office space in New York City. The extension expires in 2023. Annual lease payments include minimum base rent subject to escalation charges and a proportionate share of any increase in real estate taxes. Future minimum lease payments total \$1,038 and are to be made in the year ending June 30, 2023.

Rent expense for the years ended June 30, 2022 and 2021, was \$1,658 and \$1,456, respectively.

On March 11, 2022, the Conservancy entered into a 30-year lease agreement for new office space located at 717 5th Avenue, New York, New York. The lease is scheduled to commence during the first quarter of calendar year 2023. The Conservancy paid a security deposit of approximately \$545 at lease inception, as well as first month's rent, which upon commencement of the lease will be credited toward the Conservancy's first month's base rental payment. The landlord's contribution to the construction costs on the interior of the floor are approximately \$4,557; however, construction did not commence until August 2022.

Upon commencement of the lease, future minimum base rent payments are as follows:

	<u>Amount</u>
Year ending June 30:	
2023	\$ —
2024	817
2025	1,634
2026	1,634
2027	1,634
Thereafter	<u>53,459</u>
	<u>\$ 59,178</u>

The estimated present value of the minimum base rental payments is approximately \$35,000, using a discount rate of 4% above the base rate as defined in the lease agreement. Additional amounts to be paid by the Conservancy include its share of the operating expenses and taxes, as applicable.

(c) Other

The Conservancy is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of the Conservancy's management, the ultimate disposition of these matters will not have a material adverse effect on the Conservancy's financial condition. As described in an agreement between the City of New York, Department of Parks and Recreation, and the Conservancy dated April 28, 2006 and renewed May 13, 2013, the City of New York has agreed to indemnify and

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

hold harmless the Conservancy for all services performed and activities conducted by the Conservancy pursuant to the agreement.

(11) Contract Revenue

In May 2013, the City of New York (the City) awarded a new management agreement to the Conservancy, affirming its more than 33-year partnership with the Conservancy in jointly managing Central Park. Pursuant to the agreement, the Conservancy is responsible for operating, maintaining, repairing, and restoring Central Park, along with certain areas outside Central Park, for a 10-year period, July 1, 2013 through June 30, 2023, with two additional 5-year renewal terms, upon the agreement of the parties.

Under the agreement, the Conservancy must raise and expend annually a minimum of \$7 million with respect to maintenance, repairs, programming, visitor services, landscaping, and renovations. In exchange for meeting this requirement, the City will pay the Conservancy a minimum of \$2 million plus an amount equal to 50% of annual concession revenues derived by the City from concessions and special events in Central Park. The contractual arrangement may only be terminated under specific conditions outlined in the agreement.

The Conservancy recognizes revenue in connection with this contract as expenditures are made for specific services. In fiscal years 2022 and 2021, the Conservancy recognized as revenue and expended \$2,436 and \$7,683, respectively, related to the contract. At June 30, 2022 and 2021, the related receivable was \$609 and \$3,841, respectively.

Project Revenue

In May 2013, the Conservancy entered into a 10-year contract for capital projects with the City of New York and the Department of Parks and Recreation for restoration projects throughout the Park. Payment is on a reimbursement basis for eligible expenses incurred by the Conservancy, with the funds made available at a rate of up to \$6,000 per year beginning July 1, 2014 and expiring June 30, 2023. The Conservancy recognizes revenue in connection with this contract as expenditures are made. In fiscal year 2022 and 2021, the Conservancy recognized and expended \$6 and \$6,712, respectively, for project revenue. At June 30, 2021, the related receivable was \$2,986. There was no related receivable at June 30, 2022.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2022 and 2021

(Dollars in thousands)

(12) Liquidity and Availability

The Conservancy manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures. The following schedule reflects the Conservancy's financial assets available for general expenditure within one year from June 30, 2022 and 2021.

	<u>2022</u>	<u>2021</u>
Cash and short-term investments	\$ 35,663	55,955
Cash and short-term investments, Harlem Meer Outdoor Center	55,241	46,920
Accounts receivable, due within one year	1,823	7,189
Contributions receivable, due within one year	7,104	10,538
Contributions receivable, due within one year, Harlem Meer Outdoor Center	21,355	21,169
Net endowment appropriation, not yet drawn (note 3)	12,266	5,520
Subsequent year endowment appropriation	11,120	11,401
Total financial assets available within one year	<u>\$ 144,572</u>	<u>158,692</u>

Additionally, at June 30, 2022 and 2021, the Conservancy had \$98,298 and \$78,267, respectively, of board-designated funds being treated as quasi-endowments that are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board.

(13) Harlem Meer Outdoor Center

In February 2019, the Conservancy entered into pledge agreements with four donors to provide \$100 million (collectively) in funding to be paid over a five-year period for the construction, operation, and management of a new pool and ice rink. The pledge agreements contained provisions that the Conservancy viewed as conditional promises. Pledge payments received prior to meeting conditional promises were recorded as deferred revenue.

In fiscal year 2021, the Conservancy met the donor-imposed conditions to recognize pledged contributions for the Harlem Meer Outdoor Center as revenue in accordance with generally accepted accounting principles. In fiscal year 2021, the Conservancy recognized \$92,970 in revenue, adjusted for net present value for Harlem Meer Outdoor Center.

(14) Subsequent Events

In connection with the preparation of the financial statements, the Conservancy evaluated subsequent events after the balance sheet date of June 30, 2022 through November 23, 2022, which was the date the financial statements were available to be issued. The Conservancy is not aware of any subsequent events that would require recognition or disclosure in the financial statements.