



CENTRAL PARK CONSERVANCY, INC.

Financial Statements

June 30, 2023 and 2022

(With Independent Auditors' Report Thereon)



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

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 statements of financial position as of June 30, 2023 and 2022, 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, 2023 and 2022, 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.

Emphasis of Matter

As discussed in Note 2(o) to the financial statements, in 2023, the Conservancy adopted Accounting Standards Update No. 2016-02 – *Leases* (Topic 842). Our opinion is not modified with respect to this matter.

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

New York, New York
November 20, 2023

CENTRAL PARK CONSERVANCY, INC.

Balance Sheets

June 30, 2023 and 2022

(Dollars in thousands)

Assets	2023	2022
Cash	\$ 27,910	3,977
Short-term investments	21,983	32,686
Short-term investments, Harlem Meer Outdoor Center	41,039	54,241
Accounts receivable	6,969	1,823
Accounts receivable, Harlem Meer Center	21,277	8,901
Prepaid expenses and other assets	2,663	2,309
Contributions receivable, net	60,193	26,991
Contributions receivable, Harlem Meer Outdoor Center, net	100	21,454
Investments held by endowment	337,002	313,423
Other long-term investments	37,748	52,937
Investments held under split-interest agreements	1,239	1,350
457(b) deferred compensation plan	3,276	2,754
Fixed assets, net	8,832	1,710
Right-of-use asset – operating lease	20,216	—
Total assets	\$ 590,447	524,556
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 19,731	16,630
Deferred revenue	1,126	121
Liabilities under split-interest agreements	863	939
Other liabilities	—	137
457(b) deferred compensation plan liability	3,276	2,754
Operating lease liability	26,414	—
Total liabilities	51,410	20,581
Net assets:		
Without donor restrictions:		
Available for operations	7,931	7,663
Held for long-term purposes	26,560	37,223
Board-designated as quasi-endowments	105,496	98,298
Total net assets without donor restrictions	139,987	143,184
With donor restrictions:		
Time and purpose	91,847	74,741
Time and purpose – Harlem Meer Outdoor Center	78,078	82,881
For endowment	229,125	203,169
Total net assets with donor restrictions	399,050	360,791
Total net assets	539,037	503,975
Total liabilities and net assets	\$ 590,447	524,556

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Activities

Year ended June 30, 2023

(with comparative summarized totals for 2022)

(Dollars in thousands)

	Without donor restrictions			With donor restrictions	Total	
	Operations	Board designated	Total		2023	2022
Operating activities:						
Revenue, gains (losses), and other support:						
Contributions	\$ 23,276	5,404	28,680	49,382	78,062	107,350
Contributions, Harlem Meer Outdoor Center	—	—	—	—	—	303
Revenue from the City of New York:						
Contract revenue	7,016	—	7,016	—	7,016	2,436
Project revenue, Harlem Meer Outdoor Center	28,088	—	28,088	—	28,088	11,498
Project revenue	4,295	—	4,295	—	4,295	6
Special events revenue	6,821	—	6,821	—	6,821	8,044
Less expenses incurred for direct donor benefits	(2,193)	—	(2,193)	—	(2,193)	(2,292)
Special events revenue, net	4,628	—	4,628	—	4,628	5,752
Investment return (loss), net	996	10,379	11,375	24,074	35,449	(23,500)
Other	2,737	—	2,737	—	2,737	2,318
Forgiveness of paycheck protection program loan	—	—	—	—	—	5,428
Total revenue and gains	71,036	15,783	86,819	73,456	160,275	111,591
Net assets released from restrictions:						
Contributions and other revenue	44,440	(18,066)	26,374	(26,374)	—	—
Release from restrictions, Harlem Meer Outdoor Center	5,573	—	5,573	(5,573)	—	—
Administrative cost recovery	4,321	(1,071)	3,250	(3,250)	—	—
Total net assets released from restrictions	54,334	(19,137)	35,197	(35,197)	—	—
Total revenue, gains (losses), and other support	125,370	(3,354)	122,016	38,259	160,275	111,591
Expenses:						
Program services:						
Planning, design, and construction:						
Core planning, design, and construction	21,245	—	21,245	—	21,245	11,424
Harlem Meer Outdoor Center	33,661	—	33,661	—	33,661	16,782
Park operations:						
Horticulture, maintenance, and operations	32,200	—	32,200	—	32,200	26,654
Visitor experience	6,117	—	6,117	—	6,117	4,658
Helping other parks	4,353	—	4,353	—	4,353	3,878
Total program services	97,576	—	97,576	—	97,576	63,396
Supporting services:						
Fundraising	12,515	—	12,515	—	12,515	10,562
Management and general	14,819	—	14,819	—	14,819	13,571
Total supporting services	27,334	—	27,334	—	27,334	24,133
Total expenses	124,910	—	124,910	—	124,910	87,529
Increase (decrease) in net assets from operating activities	460	(3,354)	(2,894)	38,259	35,365	24,062
Non-operating activities:						
Change in value of split-interest agreements	—	(111)	(111)	—	(111)	(66)
Loss on disposal of fixed assets	(192)	—	(192)	—	(192)	—
Decrease in net assets from non-operating activities	(192)	(111)	(303)	—	(303)	(66)
Increase (decrease) in net assets	268	(3,465)	(3,197)	38,259	35,062	23,996
Net assets at beginning of year	7,663	135,521	143,184	360,791	503,975	479,979
Net assets at end of year	\$ 7,931	132,056	139,987	399,050	539,037	503,975

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Activities

Year ended June 30, 2022

(Dollars in thousands)

	Without donor restrictions			With donor restrictions	Total 2022
	Operations	Board designated	Total		
Operating activities:					
Revenue, gains (losses), and other support:					
Contributions	\$ 23,940	52,931	76,871	30,479	107,350
Contributions, Harlem Meer Outdoor Center	—	—	—	303	303
Revenue from the City of New York:					
Contract revenue	2,436	—	2,436	—	2,436
Project revenue, Harlem Meer Outdoor Center	11,498	—	11,498	—	11,498
Project revenue	6	—	6	—	6
Special events revenue	8,044	—	8,044	—	8,044
Less: expenses incurred for direct donor benefits	(2,292)	—	(2,292)	—	(2,292)
Special events revenue, net	5,752	—	5,752	—	5,752
Investment loss, net	(903)	(7,370)	(8,273)	(15,227)	(23,500)
Other	2,318	—	2,318	—	2,318
Forgiveness of paycheck protection program loan	5,428	—	5,428	—	5,428
Total revenue and gains (losses), net	50,475	45,561	96,036	15,555	111,591
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	36,025	123,741	(12,150)	111,591
Expenses:					
Program services:					
Planning, design, and construction:					
Core planning, design, and construction	11,424	—	11,424	—	11,424
Harlem Meer Outdoor Center	16,782	—	16,782	—	16,782
Park operations:					
Horticulture, maintenance, and operations	26,654	—	26,654	—	26,654
Visitor experience	4,658	—	4,658	—	4,658
Helping other parks	3,878	—	3,878	—	3,878
Total program services	63,396	—	63,396	—	63,396
Supporting services:					
Fundraising	10,562	—	10,562	—	10,562
Management and general	13,571	—	13,571	—	13,571
Total supporting services	24,133	—	24,133	—	24,133
Total expenses	87,529	—	87,529	—	87,529
Increase (decrease) in net assets from operating activities	187	36,025	36,212	(12,150)	24,062
Non-operating activity:					
Change in value of split-interest agreements	—	(66)	(66)	—	(66)
Decrease in net assets from non-operating activities	—	(66)	(66)	—	(66)
Increase (decrease) in net assets	187	35,959	36,146	(12,150)	23,996
Net assets at beginning of year	7,476	99,562	107,038	372,941	479,979
Net assets at end of year	\$ 7,663	135,521	143,184	360,791	503,975

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Functional Expenses

Year ended June 30, 2023

(with comparative summarized totals for 2022)

(Dollars in thousands)

	Program services					Supporting services					Total	
	Planning, design and construction		Park operations			Total	Fundraising	Management and general	Total	2023	2022	
	Core planning, design, and construction	Harlem Meer Outdoor Center	Horticulture, maintenance, and operations	Visitor experience	Helping other parks							
Salaries	\$ 3,094	349	16,184	2,747	1,946	24,320	4,083	7,760	11,843	36,163	30,311	
Payroll taxes and employee benefits	893	91	4,296	781	538	6,599	1,184	2,163	3,347	9,946	9,465	
Total salaries and related expenses	3,987	440	20,480	3,528	2,484	30,919	5,267	9,923	15,190	46,109	39,776	
Contracted services:												
Construction and design	12,325	29,188	390	29	12	41,944	35	11	46	41,990	17,053	
Landscape	—	—	3,409	—	—	3,409	—	—	—	3,409	2,930	
Facilities maintenance	17	—	746	14	98	875	45	14	59	934	1,000	
Consulting	2,559	3,897	528	464	550	7,998	2,736	2,450	5,186	13,184	10,125	
Mailings	—	—	—	—	—	—	871	—	871	871	691	
Events	13	—	41	150	49	253	2,018	29	2,047	2,300	2,073	
Other	5	—	1	31	2	39	168	26	194	233	307	
Total contracted services	14,919	33,085	5,115	688	711	54,518	5,873	2,530	8,403	62,921	34,179	
Grant awards	10	—	592	—	167	769	—	—	—	769	364	
Materials, equipment, and supplies	1,246	56	2,251	772	54	4,379	203	58	261	4,640	2,777	
Printing and publications	27	4	31	52	18	132	269	104	373	505	363	
Conferences, conventions, and meetings	37	—	55	63	106	261	22	383	405	666	399	
Postage, shipping, and messenger	31	9	104	56	6	206	350	26	376	582	435	
Travel	4	—	43	6	3	56	17	8	25	81	50	
Equipment maintenance and rentals	192	46	1,215	209	163	1,825	435	217	652	2,477	2,061	
Insurance	92	—	192	77	84	445	245	378	623	1,068	855	
Occupancy	416	21	865	346	381	2,029	1,108	351	1,459	3,488	2,228	
Advertising	—	—	—	104	5	109	45	562	607	716	920	
Miscellaneous	64	—	558	88	48	758	206	156	362	1,120	3,752	
Contributed services	43	—	89	36	39	207	457	36	493	700	599	
	2,162	136	5,995	1,809	1,074	11,176	3,357	2,279	5,636	16,812	14,803	
Total expenses before depreciation and amortization	21,068	33,661	31,590	6,025	4,269	96,613	14,497	14,732	29,229	125,842	88,758	
Depreciation and amortization	177	—	610	92	84	963	211	87	298	1,261	1,063	
Total expenses inclusive of direct donor benefits	21,245	33,661	32,200	6,117	4,353	97,576	14,708	14,819	29,527	127,103	89,821	
Less expenses incurred for direct donor benefits	—	—	—	—	—	—	(2,193)	—	(2,193)	(2,193)	(2,292)	
Total expenses – 2023	\$ 21,245	33,661	32,200	6,117	4,353	97,576	12,515	14,819	27,334	124,910		
Total expenses – 2022	\$ 11,424	16,782	26,654	4,658	3,878	63,396	10,562	13,571	24,133		87,529	

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statement of Functional Expenses

Year ended June 30, 2022

(Dollars in thousands)

	Program services					Supporting services				Total 2022
	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					
Salaries	\$ 2,767	366	13,268	2,073	1,552	20,026	3,494	6,791	10,285	30,311
Payroll taxes and employee benefits	877	117	4,234	654	483	6,365	1,094	2,006	3,100	9,465
Total salaries and related expenses	3,644	483	17,502	2,727	2,035	26,391	4,588	8,797	13,385	39,776
Contracted services:										
Construction and design	3,636	13,028	365	24	—	17,053	—	—	—	17,053
Landscape	—	—	2,909	—	21	2,930	—	—	—	2,930
Facilities maintenance	17	—	825	14	84	940	46	14	60	1,000
Consulting	1,737	3,214	150	323	584	6,008	1,915	2,202	4,117	10,125
Mailings	—	—	—	—	—	—	691	—	691	691
Events	—	5	11	70	21	107	1,960	6	1,966	2,073
Other	9	—	—	17	1	27	171	109	280	307
Total contracted services	5,399	16,247	4,260	448	711	27,065	4,783	2,331	7,114	34,179
Grant awards	5	—	118	—	146	269	—	95	95	364
Materials, equipment, and supplies	416	33	1,569	499	50	2,567	166	44	210	2,777
Printing and publications	13	17	2	92	4	128	157	78	235	363
Conferences, conventions, and meetings	3	—	47	12	85	147	22	230	252	399
Postage, shipping, and messenger	8	2	63	43	2	118	296	21	317	435
Travel	2	—	33	4	—	39	7	4	11	50
Equipment maintenance and rentals	186	2	811	173	169	1,341	448	272	720	2,061
Insurance	86	—	171	69	75	401	219	235	454	855
Occupancy	267	—	558	223	245	1,293	712	223	935	2,228
Advertising	—	—	—	7	2	9	119	792	911	920
Miscellaneous	1,176	(2)	841	286	276	2,577	837	338	1,175	3,752
Contributed services	33	—	69	28	30	160	411	28	439	599
	2,195	52	4,282	1,436	1,084	9,049	3,394	2,360	5,754	14,803
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
Depreciation and amortization	186	—	610	47	48	891	89	83	172	1,063
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
Less expenses incurred for direct donor benefits	—	—	—	—	—	—	(2,292)	—	(2,292)	(2,292)
Total expenses – 2022	\$ 11,424	16,782	26,654	4,658	3,878	63,396	10,562	13,571	24,133	87,529

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Statements of Cash Flows

Years ended June 30, 2023 and 2022

(Dollars in thousands)

	2023	2022
Cash flows from operating activities:		
Increase in net assets	\$ 35,062	23,996
Adjustments to reconcile increase in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,261	1,063
Amortization of right-of-use asset	295	—
Net (appreciation) depreciation in fair value on investments	(29,365)	23,500
Change in value of split-interest agreements	111	283
Contributions and earnings with restrictions, classified as financing activities	(3,275)	(3,264)
Forgiveness of paycheck protection program loan	—	(5,428)
Loss from disposal of fixed assets	192	—
Changes in operating assets and liabilities:		
Increase in accounts receivable	(17,522)	(3,535)
Increase in prepaid expenses and other assets	(354)	(487)
(Increase) decrease in contributions receivable, net of amounts classified as financing activities	(11,848)	8,091
Increase in lease incentive – leasehold improvements	4,557	—
Increase in accounts payable and accrued expenses	3,101	4,893
Increase (decrease) in deferred revenue	1,005	(1,131)
Increase in operating lease liability	1,346	—
(Decrease) increase in other liabilities	(137)	60
Net cash (used in) provided by operating activities	(15,571)	48,041
Cash flows from investing activities:		
Proceeds from sale of investments	281,208	289,915
Purchases of investments	(236,328)	(338,101)
Change in restricted cash	9,564	—
Acquisition of fixed assets	(8,575)	(366)
Net cash provided by (used in) investing activities	45,869	(48,552)
Cash flows from financing activities:		
Contributions and earnings with restrictions	3,275	3,264
Net change in liabilities under split-interest agreements	(76)	(54)
Net cash provided by financing activities	3,199	3,210
Net increase in cash and restricted cash	33,497	2,699
Cash and restricted cash at beginning of year	3,977	1,278
Cash and restricted cash at end of year	\$ 37,474	3,977
Supplemental disclosures:		
Noncash financing activities:		
Forgiveness of paycheck protection program loan, plus accrued interest	\$ —	5,428
Right-of-use asset obtained in exchange for new operating lease liability	25,068	—

See accompanying notes to financial statements.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2023 and 2022

(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 \$160 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 \$60 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. Any portion of the funding that is not required to fund design and capital improvements of the project will be held in a separate endowment fund and distributions will be used solely to fund the maintenance, operation, and management of the project. In fiscal year 2023, the Conservancy recognized and expended \$28,088 for project revenue relating to such agreement. At June 30, 2023, the related receivable was \$21,277.

(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, 2023 and 2022

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) Measure of Operations

The statement of activities distinguishes between operating and non-operating activities. Operating activities include all revenues and expenses that are an integral part of the Conservancy's programs and supporting activities to carry out the mission of the Conservancy. Non-operating activities include changes in the value of split-interest agreements, losses from the disposal of fixed assets, and transactions of an unusual or nonrecurring nature.

(d) 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.

(e) 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.

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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.

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.

(f) 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.

(g) 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, 2023 and 2022.

(h) 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.

CENTRAL PARK CONSERVANCY, INC.

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(i) Leases

The Conservancy determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of an identified fixed asset (an identified asset) in exchange for consideration. The Conservancy determines these assets are leased because the Conservancy has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because the Conservancy does not have the right to control and direct the use of the identified asset. The Conservancy's office lease agreement does not contain any material residual value guarantees or material restrictive covenants. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Conservancy determines lease classification as operating or finance at the lease commencement date. ROU assets and lease liabilities for operating leases are included in the balance sheet and presented separately based on the classification of the underlying lease arrangement. ROU assets and lease liabilities for financing leases would be included within fixed assets, net, and lease liabilities, respectively, in the balance sheet. Currently, the Conservancy does not have any finance leases.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. For the initial and subsequent measurement of the lease liability, the office lease includes a stated interest rate provision of the lesser of (i) 4% per annum above the annual rate of interest publicly announced from time to time by Citibank, N.A., or its successor, in New York, New York, and (ii) the maximum rate permitted by applicable law. As of the lease commencement date, the Citibank N.A. base rate was 5.50%; therefore, the interest rate at the lease commencement date was 5.72%. The portion of payments on operating lease liabilities related to interest, along with the amortization of the related ROU asset, is recognized as lease expense. This rent expense is recognized on a straight-line basis over the term of the lease.

(j) 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.

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

CENTRAL PARK CONSERVANCY, INC.

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discount are recorded as increases or decreases in the respective net asset class in the accompanying statements of activities.

(k) Cash, Cash Equivalents, and Restricted Cash

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. Restricted cash included in investments for endowment and other long-term investments is designated to fund future investments.

(l) 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 and the discount rate for the office lease. Other estimates and assumptions include the allowance for doubtful accounts and the allocation of functional expenses.

(m) 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.

(n) 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.

(o) Adoption of Accounting Pronouncements

On July 1, 2022, the Conservancy adopted Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months.

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The Conservancy adopted Topic 842 using the modified retrospective approach, which applies Topic 842 at the beginning of the period in which it is adopted. Prior to July 1, 2022, the Conservancy accounted for leases under Accounting Standards Codification (“ASC”) 840, *Leases*, and in accordance with transitional guidance, prior period amounts have not been adjusted in connection with the adoption of the new standard. The Conservancy elected the practical expedient to account for non-lease components and the lease components to which they relate as a single lease component for all leases. The Conservancy did not elect the hindsight practical expedient in determining the lease term for existing leases as of July 1, 2022.

The most significant impact of adoption was the recognition of an initial ROU operating lease asset and liability, each totaling \$25,068. Additionally, the Conservancy’s lease contained a tenant improvement allowance of \$4,557, and as a result, the ROU operating lease asset was offset by this allowance as of the lease commencement date, August 1, 2022, for a total ROU asset of \$20,511. More information on the adoption, including qualitative and quantitative disclosures, is included in note 10.

(p) Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

June 30, 2023 and 2022

(3) Investments

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

A summary of the fair value of investments at June 30, 2023 and 2022 is as follow:

	2023	2022
Short-term investments:		
Money market funds	\$ 21,983	32,686
Money market funds, Harlem Meer Outdoor Center	41,039	54,241
Total short-term investments	\$ 63,022	86,927
Investments held by endowment:		
Invested cash and cash equivalents	\$ 16,939	26,431
Domestic equities	30,395	32,757
Foreign equities	47,576	50,280
	94,910	109,468
Investments reported at NAV (or its equivalent):		
Real estate	24,365	24,482
Absolute return	102,020	85,889
Private equities	57,010	49,000
Public equities	48,957	35,039
Natural resources	9,740	9,545
Total investments reported at NAV (or its equivalent)	242,092	203,955
Total investments held by endowment	\$ 337,002	313,423
Other long-term investments:		
Invested cash and cash equivalents	\$ 183	11,385
U.S. Treasury bonds	37,565	41,552
Total other long-term investments	\$ 37,748	52,937

Included in investments held by endowment are amounts that have been appropriated by the Board and spent in accordance with the endowment purpose of \$10,587 and \$12,266 at June 30, 2023 and 2022, respectively, that have not yet been drawn and remain as part of the investment portfolio (notes 7 and 12).

Included in investments held by endowment and other long-term investments are restricted cash amounts of \$9,381 and \$183, respectively, at June 30, 2023.

CENTRAL PARK CONSERVANCY, INC.

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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, 2023, the Conservancy committed approximately 65% of the total investment balance (excluding short-term investments) in alternative investments.

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, 2023 and 2022:

		2023			
		Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Investments held for endowment at NAV:					
Real estate	\$	24,365	17,227	None	None
Absolute return		102,020	24,041	None, monthly, quarterly, biennial	None, 30 days, 45 days, 90 days
Private equities		57,010	40,673	None	None
Public equities		48,957	—	Weekly, monthly, quarterly	7 days, 45 days, 60 days
Natural resources		9,740	476	None, annual	None, 60 days
	\$	<u>242,092</u>	<u>82,417</u>		
		2022			
		Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
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>		

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

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(4) Contributions Receivable

Contributions receivable at June 30, 2023 and 2022 are due to be collected as follows:

	2023	2022
Less than one year	\$ 7,995	7,104
One to five years	53,350	17,509
Five years and thereafter	5,238	4,397
	66,583	29,010
Allowance	(313)	(288)
Discount to present value (at rates ranging from 1.67% to 4.87%)	(6,077)	(1,731)
Contributions receivable, net	\$ 60,193	26,991
Harlem Meer Outdoor Center:		
Less than one year	\$ 100	21,355
One to five years	—	100
	100	21,455
Discount to present value (at rates ranging from 0.31% to 1.83%)	—	(1)
Contributions receivable, Harlem Meer Outdoor Center, net	\$ 100	21,454

Three donors comprised approximately 38% and 68% of operating contribution revenue and 54% and 67% of gross contributions receivable, as of and for the years ended June 30, 2023 and 2022, respectively. The Board of Trustees contributed approximately 57% and 24% of operating contribution revenue and comprised approximately 84% and 85% of gross contributions receivable as of and for the years ended June 30, 2023 and 2022, respectively. No additional operating contribution revenue was recognized for the Harlem Meer Outdoor Center during the years ended June 30, 2023 and 2022.

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

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(5) Fixed Assets

A summary of fixed assets at June 30, 2023 and 2022 is as follows:

	2023	2022	Estimated useful lives
Furniture and fixtures	\$ 1,716	1,804	5 to 10 years
Office and field equipment	10,536	10,366	3 to 5 years
Leasehold improvements	5,370	2,258	10 years
	17,622	14,428	
Less: accumulated depreciation and amortization	(8,790)	(12,718)	
	\$ 8,832	1,710	

Depreciation and amortization expense for the years ended June 30, 2023 and 2022, totaled \$1,261 and \$1,063, respectively. In addition, during fiscal year 2023, the Conservancy disposed of all assets that were held at the previous leased office space in New York City after the lease term expired during fiscal year 2023, resulting in a loss on disposal of fixed assets of \$192.

(6) Net Assets

(a) Without Donor Restrictions

Net assets without donor restrictions are available for the following purposes at June 30, 2023 and 2022:

	2023	2022
Held for long-term purposes:		
Planning, design, and construction	\$ 26,880	37,233
Board designated as quasi-endowments:		
Planning, design, and construction	\$ 6,540	6,175
Horticulture, maintenance, and operations	11,588	10,943
Visitor experience	150	142
General purposes	87,218	81,038
	\$ 105,496	98,298

CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

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(b) With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Time and purpose:		
Planning, design, and construction	\$ 52,175	44,459
Planning, design, and construction, Harlem Meer Center	78,078	82,881
Horticulture, maintenance, and operations	3,954	8,035
Visitor experience	678	477
Helping other parks	500	1,977
General purposes	34,540	19,793
	<u>\$ 169,925</u>	<u>157,622</u>
For endowment:		
Horticulture, maintenance, and operations	\$ 172,599	158,762
Visitor experience	9,372	8,851
General purposes	47,154	35,556
	<u>\$ 229,125</u>	<u>203,169</u>

(7) Endowment Funds

The Conservancy's endowment consisted of 92 individual funds at June 30, 2023 and 2022, 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.

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

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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 31st of the five previous years. In both fiscal years 2023 and 2022, the Conservancy utilized a rate of 4.5% of the total investment pool. In fiscal years 2023 and 2022, the related amounts that were appropriated for use to support operations were \$11,120 and \$10,290, 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, 2023 and 2022.

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, 2023			
	Without donor restrictions	With donor restrictions		Total
		Corpus	Accumulated gains	
Net assets, June 30, 2022	\$ 98,298	130,438	72,731	301,467
Investment gain, net	10,301	—	22,467	32,768
Contributions and other transfers	42	4,183	(907)	3,318
Appropriation of endowment assets for expenditure	(3,145)	—	(7,975)	(11,120)
Net assets, June 30, 2023	<u>\$ 105,496</u>	<u>134,621</u>	<u>86,316</u>	<u>326,433</u>
Composition of net assets as of June 30, 2023:				
Held for endowment	\$ —	134,621	86,316	220,937
Board-designated as quasi endowment funds	105,496	—	—	105,496
	<u>\$ 105,496</u>	<u>134,621</u>	<u>86,316</u>	<u>326,433</u>

CENTRAL PARK CONSERVANCY, INC.

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	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	<u>(3,031)</u>	<u>—</u>	<u>(7,259)</u>	<u>(10,290)</u>
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>

At June 30, 2023 and 2022, pledges to donor-restricted endowment funds, net of allowance for doubtful accounts and discount to present value were \$8,188 and \$0, respectively.

(8) Other Revenue

A summary of other revenue at June 30, 2023 and 2022 is as follows:

	2023	2022
Merchandise sales, program revenue, and fees	\$ 2,037	1,719
Contributed services and facilities	<u>700</u>	<u>599</u>
	\$ <u>2,737</u>	<u>2,318</u>

CENTRAL PARK CONSERVANCY, INC.

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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>2023</u>	<u>2022</u>
Planning, design, and construction	\$ 43	33
Horticulture, maintenance, and operations	89	69
Visitor experience	36	28
Helping other parks	39	30
Fundraising	457	411
Management and general	36	28
	<u>\$ 700</u>	<u>599</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, 2023, and 2022, the Conservancy contributed \$1,977 and \$1,668, 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, 2023 and 2022, the Conservancy contributed \$495 and \$451, respectively.

(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 (SBA). In August 2021, the Conservancy recognized a total of \$5,428 of SBA loan forgiveness as extinguishment of debt.

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(b) Operating Leases

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 commenced on August 1, 2022. The Conservancy paid a security deposit of approximately \$545 at lease inception, as well as the first month's rent, which was credited toward the Conservancy's first month's base rental payment. The Conservancy received a free rent period of twelve months that commenced on the date the Conservancy occupied the space on January 23, 2023. Additionally, the agreement contained a lease incentive totaling \$4,557 to cover construction costs toward the build out of the office space.

As of June 30, 2023, future minimum rental commitments under noncancelable leases, classified as operating leases, were as follows:

	<u>Amount</u>
Year ending June 30:	
2024	\$ 681
2025	1,634
2026	1,634
2027	1,634
2028	1,700
Thereafter	<u>51,896</u>
Total minimum lease payments	59,179
(Less): discount for net present value	<u>(32,765)</u>
Total operating lease obligation	\$ <u><u>26,414</u></u>

Supplemental balance sheet information related to operating leases at June 30, 2023 is as follows:

ROU asset	\$ 20,511
Less: accumulated amortization	<u>(295)</u>
	\$ <u><u>20,216</u></u>
Weighted-average remaining lease term	29.6 years
Weighted-average discount rate	5.72%

The components of lease costs for the year ended June 30, 2023 is as follows:

Operating lease cost	\$ 1,642
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CENTRAL PARK CONSERVANCY, INC.

Notes to Financial Statements

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Supplemental cash flow information related to leases for the year ended June 30, 2023 follows:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	—

(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 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 2023 and 2022, the Conservancy recognized as revenue and expended \$6,519 and \$2,436, respectively, related to the contract. At June 30, 2023 and 2022, the related receivable was \$1,630 and \$609, 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. On June 7, 2023, this contract was extended for an additional five years with the funds made available at a rate of up to \$10,000 per year beginning July 1, 2023 and expiring June 30, 2028. The Conservancy recognizes revenue in connection with this contract as expenditures are made. In fiscal year 2023 and 2022, the Conservancy recognized and expended \$4,295 and \$6, respectively, for project revenue. At June 30, 2023 and 2022, the related receivable was \$4,295 and \$0, respectively.

CENTRAL PARK CONSERVANCY, INC.

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(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, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Cash and short-term investments	\$ 25,471	35,663
Cash and short-term investments, Harlem Meer Outdoor Center	65,461	55,241
Accounts receivable, due within one year	6,969	1,823
Contributions receivable, due within one year	7,995	7,104
Contributions receivable, due within one year, Harlem Meer Outdoor Center	100	21,355
Net endowment appropriation, not yet drawn (note 3)	10,587	12,266
Subsequent year endowment appropriation	<u>11,750</u>	<u>11,120</u>
Total financial assets available within one year	<u>\$ 128,333</u>	<u>144,572</u>

Additionally, at June 30, 2023 and 2022, the Conservancy had \$105,496 and \$98,298, 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) Subsequent Events

In connection with the preparation of the financial statements, the Conservancy evaluated subsequent events after the balance sheet date of June 30, 2023 through November 20, 2023, 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.