KPMG

BRYANT PARK CORPORATION AND BRYANT PARK MANAGEMENT CORPORATION

Consolidated Financial Statements

June 30, 2023
(with comparative financial information as of June 30, 2022)

(With Independent Auditors’ Report Thereon)

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

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Bryant Park Corporation and Bryant Park Management Corporation (the Company), which comprise the consolidated balance sheet as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Report on Summarized Comparative Information

We have previously audited Bryant Park Corporation and Bryant Park Management Corporation's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

New York, New York
October 20, 2023

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Balance Sheet

June 30, 2023
(with comparative financial information as of June 30, 2022)

Assets		**2023**	**2022**
Cash and cash equivalents (note 11)	$	3,152,403	4,779,774
Investments (note 2(e))		2,729,957	—
Accounts receivable, net of allowance for doubtful accounts of $36,282 in 2023 and 2022, and other assets (notes 4 and 5)		824,956	622,823
Due from related parties (note 10)		701,918	354,180
Restaurant design and construction, net (note 4)		121,019	139,638
Property and equipment, net (note 6)		534,650	202,395
Right-of-use assets (notes 2(m) and 8)		3,273,268	3,411,694
District improvements, net of accumulated amortization of $11,060,384 and $10,553,412 in 2023 and 2022, respectively (note 11)		4,673,508	4,932,801
Total assets	$	16,011,679	14,443,305
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses (note 8)	$	1,083,806	930,108
Deferred revenue		2,971,500	1,240,123
Operating lease liabilities (notes 2(m) and 8)		3,589,979	3,768,283
Bank loan (note 11)		2,321,641	2,550,552
Total liabilities		9,966,926	8,489,066
Commitments and contingencies (notes 4, 8, and 9)			
Net assets:			
Without donor restrictions		6,044,753	5,954,239
Total net assets		6,044,753	5,954,239
Total liabilities and net assets	$	16,011,679	14,443,305

See accompanying notes to consolidated financial statements.

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Statement of Activities

Year ended June 30, 2023
(with comparative financial information for the year ended June 30, 2022)

		2023	2022
Without donor restrictions:			
Revenue and other support:			
Assessments (note 1(b))	$	2,500,000	2,500,000
Winter Village, including sponsorship revenue of $3,044,315 and $3,406,503 in 2023 and 2022, respectively (note 5)		15,700,124	14,719,784
Other sponsorships and contributions		1,481,043	1,601,044
Restaurant rental income (note 4)		2,490,818	1,791,920
Park usage fees		775,490	2,018,016
Concessions (note 8)		2,390,523	1,561,335
Interest		119,979	971
Other sources		105,552	103,068
Total revenue and other support		25,563,529	24,296,138
Expenses:			
Program services:			
Capital projects – park		1,980,648	1,693,231
Capital projects – restaurant (note 4)		18,619	18,619
Park maintenance		2,682,575	2,372,949
Security		2,013,599	1,567,069
Design services		—	31,147
Retail services and promotion		1,023,936	856,114
Public events		1,900,556	1,820,804
Winter Village (note 5)		11,010,719	9,872,525
Park programs		1,265,006	922,969
Carousel		506,078	451,586
Reading room		508,908	440,938
Horticulture		705,168	591,527
Total program services		23,615,812	20,639,478
Supporting services:			
Management and general		1,649,418	1,424,261
Fundraising		207,785	353,763
Total supporting services		1,857,203	1,778,024
Total expenses		25,473,015	22,417,502
Increase in net assets without donor restrictions before gain on forgiveness of debt		90,514	1,878,636
Gain on forgiveness of debt (note 12)		—	1,170,987
Increase in net assets without donor restrictions		90,514	3,049,623
Net assets at beginning of year		5,954,239	2,904,616
Net assets at end of year	$	6,044,753	5,954,239

See accompanying notes to consolidated financial statements.

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Statement of Functional Expenses

Year ended June 30, 2023
(with summarized financial information for the year ended June 30, 2022)

	Program services													Supporting services				
	Capital projects – park	Capital projects – restaurant	Park maintenance	Security	Design services	Retail services and promotion	Public events	Winter Village	Park programs	Carousel	Reading room	Horticulture	Total	Management and general	Fundraising	Total	2023 Total	2022 Total
Salaries	$ 431,180	—	1,591,195	1,307,764	—	493,544	381,545	1,631,497	535,280	276,225	209,464	203,784	7,061,478	1,040,474	87,190	1,127,664	8,189,142	7,086,799
Payroll taxes and benefits	97,434	—	589,198	407,181	—	106,387	56,363	49,958	140,442	89,394	64,189	56,627	1,657,173	127,598	9,582	137,180	1,794,353	1,515,591
Total salaries and related expenses	528,614	—	2,180,393	1,714,945	—	599,931	437,908	1,681,455	675,722	365,619	273,653	260,411	8,718,651	1,168,072	96,772	1,264,844	9,983,495	8,602,390
Contracted services (note 2(o))	472,950	—	480	5,152	—	212,644	785,177	5,355,376	72,549	30,498	118,410	378,442	7,431,678	118,419	63,522	181,941	7,613,619	5,990,213
Accounting and legal	—	—	4,357	—	—	8,890	—	2,845	2,249	—	—	—	18,341	66,118	—	66,118	84,459	101,527
General liability insurance	46,472	—	171,498	140,950	—	69,038	41,123	864,790	57,692	29,772	22,576	30,435	1,474,346	123,548	16,187	139,735	1,614,081	1,617,237
Occupancy	100,932	—	50,914	65,353	—	106,298	542,943	87,846	120,755	54,833	62,706	20,256	1,212,836	102,269	24,109	126,378	1,339,214	1,174,394
Supplies	33,921	—	218,873	13,339	—	874	24,190	183,238	21,412	9,132	7,381	3,522	515,882	15,528	632	16,160	532,042	754,726
Telephone	3,807	—	1,338	10,509	—	3,589	3,354	9,529	39,779	3,018	2,024	1,348	78,295	3,275	1,129	4,404	82,699	64,485
Equipment	2,041	—	4,166	10,665	—	2,801	16,499	2,457,306	67,316	5,509	3,588	273	2,570,164	5,301	935	6,236	2,576,400	2,577,705
Repairs and maintenance	156,448	—	496	13,281	—	329	16,768	253,688	50,866	5,080	1,722	7,917	506,595	4,306	21	4,327	510,922	474,631
Uniforms	—	—	46,430	22,630	—	—	1,185	13,900	1,159	298	289	2,491	88,382	—	—	—	88,382	93,003
Travel and entertainment	283	—	411	539	—	1,567	8,892	32,422	4,258	325	6,458	—	55,155	14,565	1,603	16,168	71,323	57,613
Depreciation and amortization	544,756	18,619	1,910	5,943	—	—	2,903	662	134,811	—	—	—	709,604	1,580	—	1,580	711,184	660,128
Interest and fees	86,162	—	—	—	—	—	—	—	—	—	—	—	86,162	—	—	—	86,162	106,199
Miscellaneous	4,262	—	1,309	10,293	—	17,975	19,614	67,662	16,438	1,994	10,101	73	149,721	26,437	2,875	29,312	179,033	143,251
Total, year ended June 30, 2023	$ 1,980,648	18,619	2,682,575	2,013,599	—	1,023,936	1,900,556	11,010,719	1,265,006	506,078	508,908	705,168	23,615,812	1,649,418	207,785	1,857,203	25,473,015	
Total, year ended June 30, 2022	$ 1,693,231	18,619	2,372,949	1,567,069	31,147	856,114	1,820,804	9,872,525	922,969	451,586	440,938	591,527	20,639,478	1,424,261	353,763	1,778,024		22,417,502

See accompanying notes to consolidated financial statements.

BRYANT PARK CORPORATION AND
BRYANT PARK MANAGEMENT CORPORATION

Consolidated Statement of Cash Flows

Year ended June 30, 2023
(with comparative financial information for the year ended June 30, 2022)

		2023	2022
Cash flows from operating activities:			
Increase in net assets	$	90,514	3,049,623
Adjustments to reconcile increase in net assets to net cash provided by operating activities:			
Depreciation and amortization		711,184	660,128
Gain on forgiveness of debt		—	(1,170,987)
Unrealized gain and accrued interest on investments		(15,400)	—
Net impact on operating leases		(39,878)	91,896
Changes in operating assets and liabilities:			
Accounts receivable and other assets		(202,133)	380,047
Due from related parties		(347,738)	(354,180)
Accounts payable and accrued expenses		153,698	(108,988)
Due to related parties		—	(457,930)
Deferred revenue		1,731,377	519,734
Accrued interest on Payroll Protection Program SBA loan		—	1,109
Net cash provided by operating activities		2,081,624	2,610,452
Cash flows from investing activities:			
Acquisition of property and equipment		(480,064)	(12,647)
Acquisition of district improvements		(285,463)	(66,332)
Acquisition of investments, net		(2,714,557)	—
Net cash used in investing activities		(3,480,084)	(78,979)
Cash flows from financing activity:			
Repayments on bank loan		(228,911)	(203,997)
Net cash used in financing activity		(228,911)	(203,997)
(Decrease) increase in cash and cash equivalents		(1,627,371)	2,327,476
Cash and cash equivalents at beginning of year		4,779,774	2,452,298
Cash and cash equivalents at end of year	$	3,152,403	4,779,774
Supplemental cash flow disclosure:			
Interest paid during the year	$	86,830	97,319
Right-of-use assets obtained in exchange for operating lease liabilities		503,719	202,002
Deferred rent liability included in operating lease right-of-use assets		297,078	341,362
Non-cash financing activity – PPP SBA loan forgiveness		—	1,170,987

See accompanying notes to consolidated financial statements.

(1) Description of Organizations

(a) Bryant Park Corporation (BPC)

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

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

(b) Bryant Park Management Corporation (BPMC)

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

The property owners and tenants within the District have agreed to fund the approved activities of BPC through assessments levied against real property located within the District and collected by the City. The maximum assessment and use of the funds are approved annually by BPMC. Such amount shall not exceed 3% of the total general city taxes levied in that year against the taxable real property in the District. Assessments of $2,500,000 were remitted to BPMC, which transferred such funds to BPC, to be used in operations for each of the years ended June 30, 2023 and 2022.

BPC and BPMC (the Organizations) are exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as organizations described in Section 501(c)(3) and, accordingly, are not subject to income taxes except to the extent they have taxable income from activities that are not related to their exempt purposes. The Organizations recognize the effect of income tax positions only if those positions are more likely than not of being sustained. No provision for income taxes, other than the tax on qualified travel fringes, was required for fiscal 2023 or 2022.

(Continued)

(2) Summary of Significant Accounting Policies

(a) Consolidated Financial Statements

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

(b) Basis of Accounting

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

(c) Basis of Presentation

The Organizations' net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as either with or without donor restrictions. Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. The Organizations have received no restricted contributions, therefore, has no net assets with donor restrictions as of and for the years ended June 30, 2023 and 2022.

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

(d) Cash Equivalents

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

Cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. BPC had cash balances at June 30, 2023 and 2022 that exceeded the balance insured by the FDIC in the amount of $1,532,403 and $4,029,776, respectively. The Securities Investor Protection Corporation (SIPC) insures money market funds, held by member firms, up to $500,000 per investor. BPC had uninsured money market funds of $370,000 at June 30, 2023.

(e) Investments

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

(Continued)

(f) District Improvements

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

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

(g) Contributions

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

(h) Deferred Revenue

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

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

(i) Functional Allocation of Expenses

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

(j) Fair Value Measurements

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

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

(k) Use of Estimates

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

(l) Right-of-use Assets and Operating Lease Liabilities

A lessee is permitted to recognize a right of use asset and a lease liability, which was initially measured at the present value of the lease payments on the balance sheet and can disclose key information about leasing arrangements. The Corporation elected to use the transition package of practical expedients and short term lease exemption. The Corporation elected to use a risk free rate, the interest rate for treasury bills of a duration similar to the lease term, as the discount rate.

(m) Revenue Recognition

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

(n) Comparative Financial Information

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

(3) Availability and Liquidity

At June 30, 2023 and 2022, the Organizations' financial assets consisted of the following:

		2023	2022
Cash and cash equivalents	$	3,152,403	4,779,774
Investments		2,729,957	—
Accounts receivable (net)		824,956	622,823
Due from related parties		701,918	354,180
Financial assets available to meet general expenditures over the next twelve months	$	7,409,234	5,756,777

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

Winter Village (note 5) produced surplus revenues of $4,689,405 and $4,847,259 for the years ended June 30, 2023 and 2022 respectively. Winter Village operations have consistently resulted in annual net revenues in excess of $2,000,000. In addition to Winter Village, the Organizations receive district assessments of $2,500,000 from the City in semi-annual installments, minimum base rent from the Bryant Park Restaurant (note 4) of $1,620,000 and minimum license fees of $1,100,000 from the Park's concessionaires, all paid in equal monthly installments. These revenues, together with other sponsorships, park use fees for events and activations, carousel admission fees, additional percentage restaurant rent and concession license fees, and other sources provide sufficient funds to support park operations, improvements and other capital costs and the Organizations' supporting services. Any excess cash is invested in short and long-term investments, including money market accounts, certificates of deposit and government obligations.

(4) The Restaurant at Bryant Park

BPC entered into an indenture of lease with Ark Bryant Park Corporation (Ark), operator of the Restaurant at Bryant Park (the Restaurant). The lease commenced upon completion of the Restaurant in May 1995 for a 20-year term, with a tenant's option to renew for a further period of 10 years (the renewal term). Ark, effective May 1, 2015, exercised their renewal option. The lease provided for annual minimum basic rent of $275,000, as well as for additional rent, if restaurant gross receipts, as defined, exceed $3,437,500 for the calendar year. Rent is determined as follows: 8.0% of the first $5,000,000 of gross receipts, 9.0% of the next $5,000,000, and 10.0% of gross receipts in excess of $10,000,000. The annual minimum basic rent for each year of the renewal term is $1,219,933. Under an amendment of the indenture of lease, Ark constructed, and has operated a related cafe (the Café) in the park for which it agreed to pay additional rent equal to 8.0% of the Café's gross receipts. On February 18, 2005, BPC and Ark entered into a separate indenture of lease for the Café (the cafe lease). Under the cafe lease, as amended by an agreement dated July 2, 2009, Ark had agreed to operate the Café through April 30, 2019. A new café lease, agreed to by the parties, dated June 15, 2018, extends the term to April 30, 2025. The cafe lease provides for annual basic rent of $400,000 plus 16.5% of gross receipts in excess of $2,500,000. Rent receivable at June 30, 2023 and 2022 amounted to $88,880 and $171,987, respectively. Rental revenue from the Restaurant and Cafe for the years ended June 30, 2023 and 2022 totaled $1,858,617 and $632,201 and $1,286,127 and $505,793, respectively.

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

At June 30, 2023 and 2022, restaurant design and construction consisted of the following:

		2023	2022
Restaurant design and construction	$	4,690,221	4,690,221
Capitalized interest		155,454	155,454
Restaurant improvements		372,375	372,375
		5,218,050	5,218,050
Accumulated depreciation		(5,097,031)	(5,078,412)
Restaurant design and construction, net	$	121,019	139,638

For the years ended June 30, 2023 and 2022, revenue and expenses recognized by BPC related to the Restaurant were as follows:

		2023	2022
Restaurant and Café rental income	$	2,490,818	1,791,920
Depreciation expense		(18,619)	(18,619)
Increase in net assets from restaurant-related activities	$	2,472,199	1,773,301

Ark’s leases provide for monthly payments of base rent plus additional percentage rent, based on the prior year’s additional rent. Payments of any excess percentage rent are calculated and paid on an annual basis. There was no excess percentage rent included in accounts receivable and other assets at either June 30, 2023 or June 30, 2022.

(5) Winter Village

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

For the years ended June 30, 2023 and 2022, revenue recognized by BPC related to the Village were as follows:

		2023	2022
Skate pavilion revenue	$	9,118,392	7,956,196
Catering, restaurant/food hall revenue		1,207,128	1,193,008
Holiday market royalties		2,330,289	2,164,077
		12,655,809	11,313,281
Sponsorship revenue		3,044,315	3,406,503
Total Winter Village revenue	$	15,700,124	14,719,784

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

(6) Property and Equipment, Net

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

At June 30, 2023 and 2022, property and equipment, net consisted of the following:

		2023	2022
Furniture and equipment	$	2,390,243	2,092,762
Leasehold improvements		231,991	231,991
		2,622,234	2,324,753
Accumulated depreciation and amortization		(2,087,584)	(2,122,358)
Property and equipment, net	$	534,650	202,395

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

(7) Pension Benefits

BPC has a defined-contribution retirement plan covering all personnel. Pension cost for the years ended June 30, 2023 and 2022 was $158,492 and $139,222, respectively.

(8) Lease Agreements

On April 12, 2017, BPC and the Partnership amended their lease agreement at 5 Bryant Park (1065 Avenue of the Americas), New York, New York, to extend its term for an additional 10 years, commencing March 1, 2018. The original lease commenced on January 1, 2010 and was to expire February 28, 2018. BPC has been allocated its proportionate share, based on utilization, of the amortization of the right-of-use asset associated with this lease for the years ended June 30, 2023 and 2022. BPC's share of right-of-use amortization and rent expense amounted to $637,138 and $592,357 for the years ended June 30, 2023 and 2022, respectively.

BPC also leases basement storage space at 70 West 40th Street, New York, New York and warehouse space in Warwick, New York. The lease for the 40th Street space commenced on August 15, 2008 and was to expire on August 31, 2023. On July 23, 2023, BPC executed a third extension of lease agreement, extending the term through August 31, 2033. Right-of-use amortization and rent expense for this space was $49,563 and $47,316 for the years ended June 30, 2023 and 2022, respectively. Rent expense for warehouse space at 9 Kavalec Lane, Warwick, New York, the lease for which expired on August 21, 2021, was $2,500, net of reimbursements for storage space used, of $4,008 and $350, received from the Winter Village rink operator and the Partnership, respectively, for the year ended June 30, 2022. On July 8, 2021, BPC entered into a lease for replacement warehouse space at 122 State School Road, Warwick, New York which commenced on August 15, 2021. An agreement dated December 7, 2022 extended the lease, which was to expire on August 15, 2023, through July 31, 2025. Right-of-use amortization and rent expense for the State School Road space was $96,090, net of reimbursement for storage space used of $5,057 and $88,228, net of reimbursement of $4,411 received from the Partnership, for the years ended June 30, 2023 and 2022, respectively.

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

		40th Street	State School Warwick	5 Bryant Park	Total
Year ending June 30:					
2024	$	35,000	104,805	622,038	761,843
2025		36,000	107,949	678,587	822,536
2026		36,000	9,018	678,587	723,605
2027		36,000	—	678,587	714,587
2028		36,000	—	452,391	488,391
Thereafter		186,000	—	—	186,000
Total		365,000	221,772	3,110,190	3,696,962
Less:					
Interest		60,775	8,781	37,427	106,983
Lease liability	$	304,225	212,991	3,072,763	3,589,979

As of June 30, 2023, BPC is jointly liable for total lease commitments of $4,968,356 at 5 Bryant Park.

The weighted average remaining lease term and the weighted average discount rate for operating leases are 5.64 years and 2.925% and 2.65 years and 0.47% at June 30, 2023 and 2022, respectively.

In addition to rent received for the Restaurant (note 4), BPC receives monthly license fees from the operators of five food concession kiosks and two newsstands in the Park. The newsstands were operated on a month-to-month basis, under the same terms of a license agreement which expired September 30, 2019, through May 31, 2022. A new five-year license agreement, with a new operator, was effective June 1, 2022. The food kiosk licenses expire on various dates, through April 30, 2027.

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

Year ending June 30:		
2024	$	1,131,817
2025		942,033
2026		315,609
2027		297,663
	$	2,687,122

License fees of $1,898,507 and $1,164,027 are included in concessions revenue on the statement of activities for the years ended June 30, 2023 and 2022, respectively.

(9) Litigation

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

(10) Related Parties

The Partnership is a business improvement district with which the Organizations share common management and office space. The Partnership was indebted to the Organizations for its net proportionate share of certain joint revenues and expenses in the amount of $701,918 and $354,180 at June 30, 2023 and 2022, respectively.

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

(11) Bank Loan

On December 27, 2021, Amendment Number 4 of the Organizations' term loan agreement with New York Commercial Bank (NYCB) dated September 27, 2011 extended the maturity date of the loan to December 27, 2026. Amendment Number 3 to the Term Loan Agreement, dated September 27, 2021 had extended the maturity date to December 27, 2021. The amended loan, in the original principal amount of $2,660,598, bears interest at an annual rate of 4.3% and is payable over five years. The proceeds of the loan were used to finance a new underground power facility in Bryant Park (included in district improvements). Under the loan agreement, NYCB has a security interest in the Organizations' assessments and all funds maintained with NYCB (approximately $1,640,000 at June 30, 2023).

Interest expense on the term loan was $86,162 and $105,090 for the years ended June 30, 2023 and 2022, respectively.

(12) Payroll Protection Program SBA Loan

The Coronavirus Aid, Relief and Economic Security Act (the CARES Act) provided for forgivable, low interest loans to be made, through the Small Business Administration, to small businesses facing uncertainty during the COVID-19 crisis. These Payroll Protection Program loans were approved to enable small businesses to retain workers, maintain payroll and pay certain other operating expenses. Forgiveness of the loans is subject to application by the borrower and proof of the use of loan funds as required by the CARES Act, as amended by the Payroll Protection Program Flexibility Act of 2020. BPC applied for, and received, a $1,156,382 Payroll Protection Program loan through Bank of America, N.A., as evidenced by a note dated April 28, 2020. BPC applied for, and on August 4, 2021 was granted forgiveness of the loan plus accrued interest of $14,605. Accrued interest expense of $1,109 had been included in management and general expenses, in the statement of activities, for the year ended June 30, 2022.

(13) Subsequent Events

In connection with the preparation of the consolidated financial statements, the Organizations evaluated subsequent events after the balance sheet date of June 30, 2023 through October 20, 2023, which was the date the consolidated financial statements were available to be issued. No additional events were noted.