



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

Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

(With Independent Auditors' Report Thereon)



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

## Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Bryant Park Corporation and Bryant Park Management Corporation, which comprise the consolidated balance sheet as of June 30, 2021 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.

#### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bryant Park Corporation and Bryant Park Management Corporation as of June 30, 2021 and the changes in their net assets and their cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.



*Emphasis of Matter*

As discussed in note 2(m) to the consolidated financial statements, in 2021 Bryant Park Corporation and Bryant Park Management Corporation adopted new accounting guidance, Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to their matter.

**Report on Summarized Comparative Information**

We have previously audited Bryant Park Corporation and Bryant Park Management Corporation's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 23, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG LLP

November 24, 2021

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

Consolidated Balance Sheet

June 30, 2021

(with comparative financial information as of June 30, 2020)

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents (note 11)	\$ 2,452,298	1,365,381
Accounts receivable, net of allowance for doubtful accounts of \$36,282 and \$289,533 in 2021 and 2020, respectively, and other assets (notes 4 and 5)	1,002,870	1,583,373
Due from related parties (note 10)	—	338,499
Restaurant design and construction, net (note 4)	158,257	176,876
Property and equipment, net (note 6)	287,816	451,477
Right-of-use assets (notes 2(m) and 8)	3,960,068	—
District improvements, net of accumulated amortization of \$10,009,971 and \$9,463,440 in 2021 and 2020, respectively (note 11)	5,409,910	5,918,083
Total assets	\$ 13,271,219	9,833,689
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses (note 8)	\$ 1,039,096	1,631,552
Due to related parties (note 10)	457,930	—
Deferred revenue	720,389	695,336
Payroll Protection Program SBA loan (note 12)	1,169,878	1,156,382
Operating lease liabilities (notes 2(m) and 8)	4,224,761	—
Bank loan (note 11)	2,754,549	2,785,417
Total liabilities	10,366,603	6,268,687
Commitments and contingencies (notes 4, 8, and 9)		
Net assets:		
Without donor restrictions	2,904,616	3,565,002
Total net assets	2,904,616	3,565,002
Total liabilities and net assets	\$ 13,271,219	9,833,689

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Activities

Year ended June 30, 2021

(with comparative financial information for the year ended June 30, 2020)

	2021	2020
Without donor restrictions:		
Revenue and other support:		
Assessments (note 1(b))	\$ 2,500,000	1,600,000
Winter Village, including sponsorship revenue of \$2,557,603 and \$3,089,841 in 2021 and 2020, respectively (note 5)	8,671,822	14,099,358
Other sponsorships and contributions, including contributed services of \$154,682 in 2020	1,303,145	1,694,441
Restaurant rental income (note 4)	1,209,967	2,074,424
Park usage fees, including bartered services of \$335,376 in 2020	956,758	1,442,568
Concessions	1,052,035	1,433,608
Interest	2,628	1,243
Other sources	117,656	170,308
Total revenue and other support	15,814,011	22,515,950
Expenses:		
Program services:		
Capital projects – park	1,573,733	1,558,035
Capital projects – restaurant (note 4)	18,619	271,870
Park maintenance	1,870,483	2,208,564
Security	1,301,218	1,329,406
Design services	581,640	943,346
Retail services and promotion	613,840	1,184,809
Public events	702,535	1,344,521
Winter Village (note 5)	6,403,898	8,810,155
Park programs	712,987	1,454,098
Carousel	280,348	349,765
Reading room	329,218	428,945
Horticulture	448,861	668,017
Total program services	14,837,380	20,551,531
Supporting services:		
Management and general	1,430,290	1,393,413
Fundraising	206,727	171,016
Total supporting services	1,637,017	1,564,429
Total expenses	16,474,397	22,115,960
(Decrease) increase in net assets without donor restrictions	(660,386)	399,990
Net assets at beginning of year	3,565,002	3,165,012
Net assets at end of year	\$ 2,904,616	3,565,002

See accompanying notes to consolidated financial statements.

**BRYANT PARK CORPORATION AND  
BRYANT PARK MANAGEMENT CORPORATION**  
Consolidated Statement of Functional Expenses  
Year ended June 30, 2021  
(with summarized financial information for the year ended June 30, 2020)

	Program services											Supporting services			2021 Total	2020 Total		
	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
Salaries	\$ 454,562	—	1,043,486	760,194	363,978	217,343	204,255	1,191,985	278,871	152,190	166,857	190,588	5,024,309	876,027	122,122	998,149	6,022,458	7,319,175
Payroll taxes and benefits	82,001	—	437,653	275,287	87,409	43,919	31,360	64,562	58,931	47,867	54,840	53,985	1,237,814	105,657	20,846	126,503	1,364,317	1,647,873
Total salaries and related expenses	536,563	—	1,481,139	1,035,481	451,387	261,262	235,615	1,256,547	337,802	200,057	221,697	244,573	6,262,123	981,684	142,968	1,124,652	7,386,775	8,967,048
Contracted services (note 2(o))	55,077	—	—	60,631	98	212,153	238,321	2,696,539	31,624	1,535	21,973	149,719	3,467,670	59,616	41,577	101,193	3,568,863	6,062,531
Accounting and legal	—	—	8,024	1,786	—	—	1,400	4,800	—	—	—	—	16,010	72,128	—	72,128	88,138	111,695
General liability insurance	72,935	—	167,429	121,974	58,401	54,468	33,598	286,576	44,745	24,419	26,773	30,580	921,898	149,462	—	149,462	1,071,360	1,009,446
Occupancy	191,160	—	49,165	52,097	68,931	73,347	150,673	44,974	123,730	43,267	50,948	19,898	868,190	98,702	21,028	119,730	987,920	1,091,091
Supplies	8,975	—	108,355	3,954	639	556	9,685	72,683	9,127	2,666	1,246	178	218,064	8,586	184	8,770	226,834	317,342
Telephone	5,287	—	2,090	1,798	2,154	2,969	3,095	5,218	4,556	2,386	2,757	1,795	34,105	4,036	946	4,982	39,087	103,110
Equipment	—	—	1,534	9,050	—	—	14,485	1,625,190	2,160	—	353	—	1,652,772	—	—	—	1,652,772	2,454,454
Repairs and maintenance	31,280	—	1,458	108	—	—	172	210,942	52,365	1,879	—	—	297,904	3,372	—	3,372	301,276	506,580
Uniforms	3	—	49,967	11,053	—	—	265	11,021	1,419	146	54	2,086	76,014	—	—	—	76,014	48,209
Travel and entertainment	291	—	87	53	—	723	1,314	13,591	1,093	1,167	744	—	19,063	2,924	—	2,924	21,987	94,698
Depreciation and amortization	546,531	18,619	891	—	—	—	6,361	127,201	98,093	—	—	—	797,696	1,580	—	1,580	799,276	812,451
Interest and fees	120,601	—	—	—	—	—	—	—	—	—	—	—	120,601	13,496	—	13,496	134,097	124,304
Miscellaneous	5,030	—	344	3,233	30	8,362	7,551	46,916	6,273	2,826	2,673	32	65,270	34,704	24	34,728	119,998	413,001
Total, year ended June 30, 2021	\$ 1,573,733	18,619	1,870,483	1,301,218	581,640	613,840	702,535	6,403,898	712,987	280,348	329,218	448,861	14,837,380	1,430,290	206,727	1,637,017	16,474,397	
Total, year ended June 30, 2020	\$ 1,558,035	271,870	2,208,564	1,329,406	943,346	1,184,809	1,344,521	8,810,155	1,454,098	349,765	428,945	668,017	20,551,531	1,393,413	171,016	1,564,429		\$ 22,115,960

See accompanying notes to consolidated financial statements.

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

Consolidated Statement of Cash Flows

Year ended June 30, 2021

(with comparative financial information for the year ended June 30, 2020)

	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (660,386)	399,990
Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	799,276	812,451
Net impact on operating leases	264,693	—
Changes in operating assets and liabilities:		
Accounts receivable and other assets	580,503	(1,028,790)
Due from related parties	338,499	314,041
Accounts payable and accrued expenses	(592,456)	298,494
Due to related parties	457,930	—
Deferred revenue	25,053	(1,119,062)
Accrued interest on Payroll Protection Program SBA loan	13,496	—
Net cash provided by (used in) operating activities	1,226,608	(322,876)
Cash flows from investing activities:		
Acquisition of property and equipment	(70,465)	(213,303)
Acquisition of district improvements	(38,358)	(157,657)
Net cash used in investing activities	(108,823)	(370,960)
Cash flows from financing activity:		
Proceeds from Payroll Protection Program SBA loan	—	1,156,382
Repayments on bank loan	(30,868)	(150,972)
Net cash (used in) provided by financing activity	(30,868)	1,005,410
Increase in cash and cash equivalents	1,086,917	311,574
Cash and cash equivalents at beginning of year	1,365,381	1,053,807
Cash and cash equivalents at end of year	\$ 2,452,298	1,365,381
Supplemental cash flow disclosure:		
Interest paid during the year	\$ 80,122	104,554
Right-of-use assets obtained in exchange for operating lease liabilities	4,574,843	—
Deferred rent liability included in operating lease right-of-use assets	(370,469)	—

See accompanying notes to consolidated financial statements.

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

**(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, behind the New York Public Library in Bryant Park (note 4). 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 and \$1,600,000 were remitted to BPMC, which transferred such funds to BPC, to be used in operations for each of the years ended June 30, 2021 and 2020, respectively.



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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

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. However, under Section 512(a)(7) of the Code, enacted as part of the Tax Cut and Jobs Act of 2017, the Organizations were required to increase unrelated business taxable income for any amount expended for certain qualified transportation fringe benefits after December 31, 2017. BPC incurred an unrelated business tax liability of \$35,190 for the two years ended June 30, 2019. The Taxpayer Certainty and Disaster Tax Relief Act of 2019, signed into law on December 20, 2019, retroactively repealed Section 512(a)(7) of the Code. The refund of \$35,190 due to the Organizations upon the repeal is included in other revenue in the statement of activities for the year ended June 30, 2020. 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 2021 or 2020.

**(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, 2021 and 2020.

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.

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

**(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, 2021 and 2020 that exceeded the balance insured by the FDIC in the amount of \$1,700,426 and \$870,711, respectively.

**(e) 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.

**(f) Contributions**

Contributions, which include unconditional promises to give, as applicable, are recognized at fair value as revenue in the period received. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

**(g) Contributed Services**

Contributed services are recognized as revenue and expense in the period received at the fair value of those services.

**(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) 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.

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

**(j) Functional Allocation of Expenses**

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

**(k) Fair Value Measurements**

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

- Level 1: Inputs that reflect unadjusted quoted 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 prices that are observable for the asset or liability either directly or indirectly.
- Level 3: Inputs that are unobservable.

**(l) Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates include the allocation of 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 and amortization of district improvements.

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

**(m) Accounting Standards**

Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)* as amended by ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities*: This guidance, adopted early by the Organizations and effective for their fiscal year ending June 30, 2021, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments on the consolidated balance sheet and disclosing key information about leasing arrangements. The Organizations adopted this ASU using the modified retrospective transition approach and the effective date method. As such, the Organizations are not required to adjust comparative periods or provide comparative period disclosures. The Organizations also elected to use the transition package of practical expedients and short-term lease exemption. Similarly, the Partnership 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. The Organizations' right-of-use assets and operating lease liabilities for operating leases, at adoption of the new standard, on July 1, 2020, were \$4,574,843 and \$5,047,983, respectively.

**(n) Revenue Recognition**

Assessments, paid by the City to BPMC in equal semi-annual installments, are recognized as revenue ratably throughout the year. Sponsorships, whether received in lump-sum or installments, are recognized as revenue ratably over the duration of the program or programs being sponsored. Contributed services are recognized as revenue when the services are provided. Contributed services, totaling \$154,682 are included in contract services, within the benefited program service, on the consolidated statement of functional expenses for the year ended June 30, 2020. 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. Bartered services totaling \$335,376 are included in contract services, within the benefited program service, on the consolidated statement of functional expenses for the year ended June 30, 2020.

**(3) Availability and Liquidity**

At June 30, 2021 and 2020, the Organizations' financial assets consisted of the following:

	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 2,452,298	1,365,379
Accounts receivable (net)	555,882	1,146,080
Due from related parties	—	338,499
Financial assets available to meet general expenditures over the next twelve months	\$ 3,008,180	2,849,958

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

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

The spread of the coronavirus (COVID-19) around the world continues to cause significant volatility in the U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organizations are unable to determine if it will have a material impact on future operations.

Business disruption caused by the coronavirus pandemic, beginning in March 2020, caused the closure of the Bryant Park Restaurant (note 4), as well as the cancelation or postponement of all Park events and programs during the spring and summer of 2020. Continued limits on public gatherings and restaurant capacity, and the slow return of midtown office workers and tourists has greatly impacted what had been regular and scheduled revenues in excess of \$8,500,000 from restaurant rent, concession royalties, Winter Village (note 5) sponsorship and assessments, all of which provided the funds needed for ordinary park operations and Winter Village start-up costs. Similarly, other sponsorship, park use fees and other revenues are dependent on the return of more regular midtown business activity. BPC, as noted in note 12, received a Payroll Protection Program loan, and BPMC increased its assessment by \$900,000 for the year ended June 30, 2021 in order to offset reductions in revenue from restaurant rent, concession and park use fees. Winter Village operating revenues, received primarily in December and January, have provided surplus funds, after the costs of production, for the last six fiscal years. Surplus Winter Village revenue is used to fund seasonal repairs and capitalized improvements. The Winter Village physical plant, operations and admission policies were changed, for fiscal 2021, in order to reduce capacity, promote social distancing and foster a more outdoor experience for visitors. Winter Village produced surplus revenues of \$2,268,041 and \$5,289,203 for the years ended June 30, 2021 and 2020 respectively. Any excess cash is invested in short term investments, including money market accounts and certificates of deposit.

**(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. The Restaurant and Cafe were unable to operate during the months of April through June 2020, and then only outdoors or at reduced capacity through the spring of 2020, due to the coronavirus pandemic. Ark did not make any rent payments during the months of April through August 2020. BPC agreed to abate the minimum basic rent for these months, net of payments made in excess of minimum basic rent in January, February and March of 2020, amounting to \$134,600, and overpayments of prior years' additional rent of \$107,623 provided that Ark make monthly payments of \$100,000 toward the combined rents for the

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

Restaurant and the Café for the months of September through December 2020 and resume monthly payments of minimum basic rent for calendar 2021. Basic rent receivable at June 30, 2021 and 2020 amounted to \$209,967 and \$253,251, respectively. The entire amount receivable at June 30, 2020 which had been reserved for as bad debt, has been settled. Rental revenue from the Restaurant and Cafe for the years ended June 30, 2021 and 2020 totaled \$889,057 and \$320,912 and \$1,544,806 and \$529,618, respectively.

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

At June 30, 2021 and 2020, restaurant design and construction consisted of the following:

	<b>2021</b>	<b>2020</b>
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	(5,059,793)	(5,041,174)
Restaurant design and construction, net	\$ 158,257	176,876

For the years ended June 30, 2021 and 2020, revenue and expenses recognized by BPC related to the Restaurant were as follows:

	<b>2021</b>	<b>2020</b>
Restaurant and Café rental income	\$ 1,209,967	2,074,424
Bad debt expense	—	(253,251)
Depreciation expense	(18,619)	(18,619)
Increase in net assets from restaurant-related activities	\$ 1,191,348	1,802,554

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, 2021 or June 30, 2020.

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

**(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, 2021 and 2020, revenue recognized by BPC related to the Village were as follows:

	<b>2021</b>	<b>2020</b>
Skate pavilion revenue	\$ 5,319,218	7,939,388
Catering, restaurant/food hall revenue	56,143	480,370
Holiday market royalties	738,858	2,589,759
	6,114,219	11,009,517
Sponsorship revenue	2,557,603	3,089,841
Total Winter Village revenue	\$ 8,671,822	14,099,358

No admission is charged for skating at the Village. The costs associated with the Village operation are reported as a separate program. Additional revenues and reimbursable expenses of \$997,075, related to the operation of the holiday market and food hall were owed to BPC, and included in accounts receivable and other assets at June 30, 2020.

**(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.

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

At June 30, 2021 and 2020, property and equipment, net consisted of the following:

	<b>2021</b>	<b>2020</b>
Furniture and equipment	\$ 2,080,115	2,208,802
Leasehold improvements	231,991	231,991
	2,312,106	2,440,793
Accumulated depreciation and amortization	(2,024,290)	(1,989,316)
Property and equipment, net	\$ 287,816	451,477

BPC wrote-off \$199,152 and \$269,227 of obsolete furniture and equipment, primarily damaged park chairs, tables and umbrellas during the years ended June 30, 2021 and 2020, respectively.

**(7) Pension Benefits**

BPC has a defined-contribution retirement plan covering all personnel. Pension cost for the years ended June 30, 2021 and 2020 was \$85,425 and \$140,272, 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 year ended June 30, 2021 and the straight-line rental expense and deferred rent obligation for the year ended June 30, 2020. BPC's share of right-of use amortization and rent expense amounted to \$619,656 and \$610,119 for the years ended June 30, 2021 and 2020, respectively. Deferred rent obligation of \$473,190 at June 30, 2020 is included in accounts payable and accrued expenses.

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 40<sup>th</sup> Street space commenced on August 15, 2008 and expires on August 31, 2023. Right-of-use amortization and rent expense for this space was \$53,055 and \$46,272 for the years ended June 30, 2021 and 2020, respectively. The lease for warehouse space at 9 Kavalec Lane, Warwick, New York commenced on June 15, 2017 and expired, as amended and extended by agreements dated April 5, 2019 and June 3, 2021, on August 31, 2021. Rent expense for the Warwick space was \$49,813, net of reimbursements for storage space used, of \$24,050 and \$3,888 and \$75,350, net of reimbursements of \$25,671 and \$3,768, received from the Winter Village rink operator and the Partnership, respectively, for the years ended June 30, 2021 and 2020, respectively. 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 and expires on August 15, 2023.



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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

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

	40th Street	Warwick		5 Bryant Park	Total
		Kavalec	State School		
Year ending June 30:					
2022	\$ 30,000	14,000	87,507	613,878	745,385
2023	30,000	—	101,751	626,668	758,419
2024	5,000	—	12,750	652,246	669,996
2025	—	—	—	652,246	652,246
2026	—	—	—	652,246	652,246
Thereafter	—	—	—	1,087,076	1,087,076
Total	<u>65,000</u>	<u>14,000</u>	<u>202,008</u>	<u>4,284,360</u>	<u>4,565,368</u>
Less:					
Interest	139	—	—	73,303	73,442
Prepaid rent	—	—	—	51,157	51,157
2022 lease	—	—	202,008	—	202,008
Short-term lease	—	14,000	—	—	14,000
	<u>139</u>	<u>14,000</u>	<u>202,008</u>	<u>124,460</u>	<u>340,607</u>
Lease liability	<u>\$ 64,861</u>	<u>—</u>	<u>—</u>	<u>4,159,900</u>	<u>4,224,761</u>

As of June 30, 2021, BPC is jointly liable for total lease commitments of \$7,120,425 at 5 Bryant Park.

The weighted average remaining lease term and the weighted average discount rate for operating leases at June 30, 2021 are 8.33 years and 0.945%, 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 are being operated on a month-to-month basis, under the same terms of a license agreement which expired September 30, 2019. 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:	
2022	\$ 963,935
2023	982,945
2024	1,002,534
2025	804,863
2026	168,044
Thereafter	<u>143,520</u>
	<u>\$ 4,065,841</u>

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

License fees of \$660,287 and \$1,191,708 are included in parks revenue on the statement of activities for the years ended June 30, 2021 and 2020, 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. At June 30, 2021 the Organizations were indebted to the Partnership for their net proportionate share of certain joint revenues and expenses in the amount of \$457,930. At June 30, 2020 the Partnership was indebted to the Organizations for its net proportionate share of certain joint revenues and expenses in the amount of \$338,499.

A vice-president of the Organizations' landlord, for their office space at 5 Bryant Park, as described in note 9, 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 40<sup>th</sup> 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 September 27, 2016, the Organizations' term loan agreement with New York Commercial Bank (NYCB) dated September 27, 2011 was amended, extending the maturity date to September 27, 2021. Amendment Number 2 to the Term Loan Agreement, dated January 3, 2020 changed certain financial covenants contained in agreement, increasing the Organizations' maximum allowed leverage ratio and decreasing the minimum required net worth, as defined in the agreement. Amendment Number 3 to the Term Loan Agreement, dated September 27, 2021 extended the maturity date to December 27, 2021. The amended loan, in the original principal amount of \$3,395,874, bears interest at an annual rate of 4.3% and is payable over five years and three months. 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 \$1,065,467 at June 30, 2021).

Pursuant to the terms of a COVID-19 Relief Agreement, dated April 8, 2020, NYCB deferred the six scheduled monthly payments of principal and interest from May 1, 2020 through October 1, 2020 to the maturity date of the loan. A second COVID-19 Relief Agreement, dated November 5, 2020, permitted the Organizations to make interest only payments for the six months December 2020 through May 2021.

Interest expense on the term loan was \$120,601 and \$124,304 for the years ended June 30, 2021 and 2020, respectively.

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

Notes to Consolidated Financial Statements

June 30, 2021

(with comparative financial information as of June 30, 2020)

**(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 \$13,496 has been included in management and general expenses, in the statement of activities, for the year ended June 30, 2021.

**(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, 2021 through November 24, 2021, which was the date the consolidated financial statements were available to be issued. No additional events were noted.